

CITY OF KENNER, LOUISIANA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/2/11

Submitted by:

Department of Finance

DUKE P. McCONNELL, CPA
Chief Financial Officer

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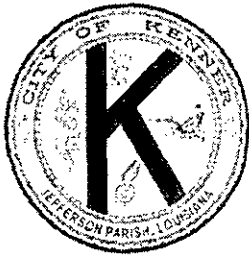
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INTRODUCTORY SECTION



CITY OF KENNER

DEPARTMENT OF FINANCE

MICHAEL S. YENNI
MAYOR

DUKE P. MCCONNELL
FINANCE DIRECTOR

December 31, 2010

Honorable Mayor and City Councilpersons
City of Kenner, Louisiana
1801 Williams Boulevard
Kenner, Louisiana 70062

The Comprehensive Annual Financial Report of the City of Kenner, Louisiana, for the fiscal year-ended June 30, 2010 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and operating activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and auditor's reports on compliance and on internal controls, are included in the single audit section of this report.

CITY OF KENNER

The City is the largest incorporated area in Jefferson Parish, a suburban parish (county) in the New Orleans Standard Metropolitan Statistical Area. It is bounded on the north by Lake Pontchartrain, on the south by the Mississippi River, on the east by unincorporated Jefferson Parish, and on the west by St. Charles Parish. The map of the City which is enclosed in this Introductory Section reflects a total area of approximately 15 square miles. Since 1946, the City has contained the site for the New Orleans International Airport.

Major industries located within the City's boundaries or in close proximity include retail, air carriers, gaming, telephone, energy and telecommunications providers, and manufacturing.

REPORTING ENTITY AND ITS SERVICES

The City is a unit of general local government under the Census Bureau's criteria. It is a home rule charter city incorporated under the constitution and laws of the State of Louisiana on July 1, 1974. A seven person council and an elected mayor govern the City, as reflected in the organizational chart of the City's administrative departments included in this introductory section. The City's department directors with the exception of the Police Department, which is governed by an elected chief, report to the Chief Administrative Officer who in turn reports directly to the Mayor.

This report includes government-wide financial statements and fund financial statements of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government (the City) and any component units. Component units are defined as legally separate organizations for which the City is financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in

determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with the primary government (the City) is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City has no component units currently.

THE REPORT FORM

The authoritative promulgations by the Governmental Accounting Standards Board (GASB) were applied in the preparation of this report.

Users of the Comprehensive Annual Financial Report should also refer to the narrative introduction, overview, and analysis found in the Management's Discussion and Analysis (MD&A) in the financial section of the Comprehensive Annual Financial Report.

FINANCIAL INFORMATION

Internal Accounting Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and parish financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. I believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year-ended June 30, 2010 are included in the Single Audit Section of this report.

Budgetary Control

In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Enterprise Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level, except for the General Fund which is at the departmental level. Any amendments to the total budgeted expenditures of a department require Council approval. The Mayor can approve changes to the budget within a department, as long as the total is not changed. The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Besides comparing current year expenditures to the prior year, comparison to budget is of paramount importance in a government's financial reporting. The City Council annually adopts a budget for each governmental fund type (except capital projects are budgeted on a project basis) and proprietary type funds (except for the Internal Service Funds). Budgetary accounting is not used for the Self Insurance and Health Insurance Internal Service Funds because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget. Budgets are adopted by June 15 for the fiscal year which begins the following July 1. Revenues and expenditures are budgeted on the modified accrual or accrual basis as appropriate for the fund type. Encumbrances of the current year are recorded as obligations against budgeted appropriations and are included in the columns titled "budgetary" in the statements in the financial section of this report.

LOCAL ECONOMY

The recession over the last two years has significantly reduced revenues and the city has eliminated 81 positions primarily through a hiring freeze and made numerous other cuts throughout the budget to respond to the revenue shortfall. The city's sales taxes have started to improve slightly in the last several months however the recovery is expected to be very slow. The city continues to look for ways to reduce costs however it is felt that any additional cuts would start to significantly affect the level of services for the citizens and the quality of life in the city. The city is proposing an increase in property taxes in the coming year to provide much needed additional revenue. The city is far to dependant on sales taxes which are very volatile and property taxes would provide a much more stable source of revenue.

LEGAL COMPLIANCE

The Single Audit Act of 1984 (P. L. 98-502) and related 1996 Amendments requires reports by the Auditors on compliance and on the internal control over financial reporting in accordance with Government Auditing Standards, the City's compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards. These reports, along with the City management's responses to the non-compliance findings, are presented in the Single Audit Section of this report.

INDEPENDENT AUDIT

Louisiana municipalities not audited by the Legislative Auditor are required by La. R.S. 24:517 to have conducted annually an audit of their accounts by a certified public accountant. Moreover, the City Charter (Section 2:28) requires that the Council shall execute a contract each year with a certified public accountant or a firm of certified public accountants for an examination of the accounts of the City to include all funds appropriated by the Council. These requirements have been complied with and the opinion of the firm of Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants has been included in this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year-ended June 30, 2009. This was the fifteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the staff at Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants, for their invaluable assistance in completing this Comprehensive Annual Financial Report of the City of Kenner.

In closing, without the leadership and support of the Mayor, the Chief Administrative Officer and the City Council, preparation of this report would not have been possible.

Sincerely,



DUKE P. McCONNELL, CPA
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kenner
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CURRENT SELECTED OFFICIALS OF THE CITY OF KENNER

CITY COUNCIL

Councilwoman at Large
Councilwoman at Large
District No. 1
District No. 2
District No. 3
District No. 4
District No. 5

Michele Branigan
Jeannie Black
Gregory Carroll
Joseph Stagni
Ben Zahn
Maria DeFrancesch
Kent Denapolis

EXECUTIVE STAFF

Mayor
Chief Administrative Officer
Chief of Police
City Attorney
Deputy Chief Administrative Officer-Public Works
Chief Financial Officer

Honorable Michael S. Yenni
Mike Quigley
Steve Caraway
Keith Conley
Prat Reddy
Duke McConnell

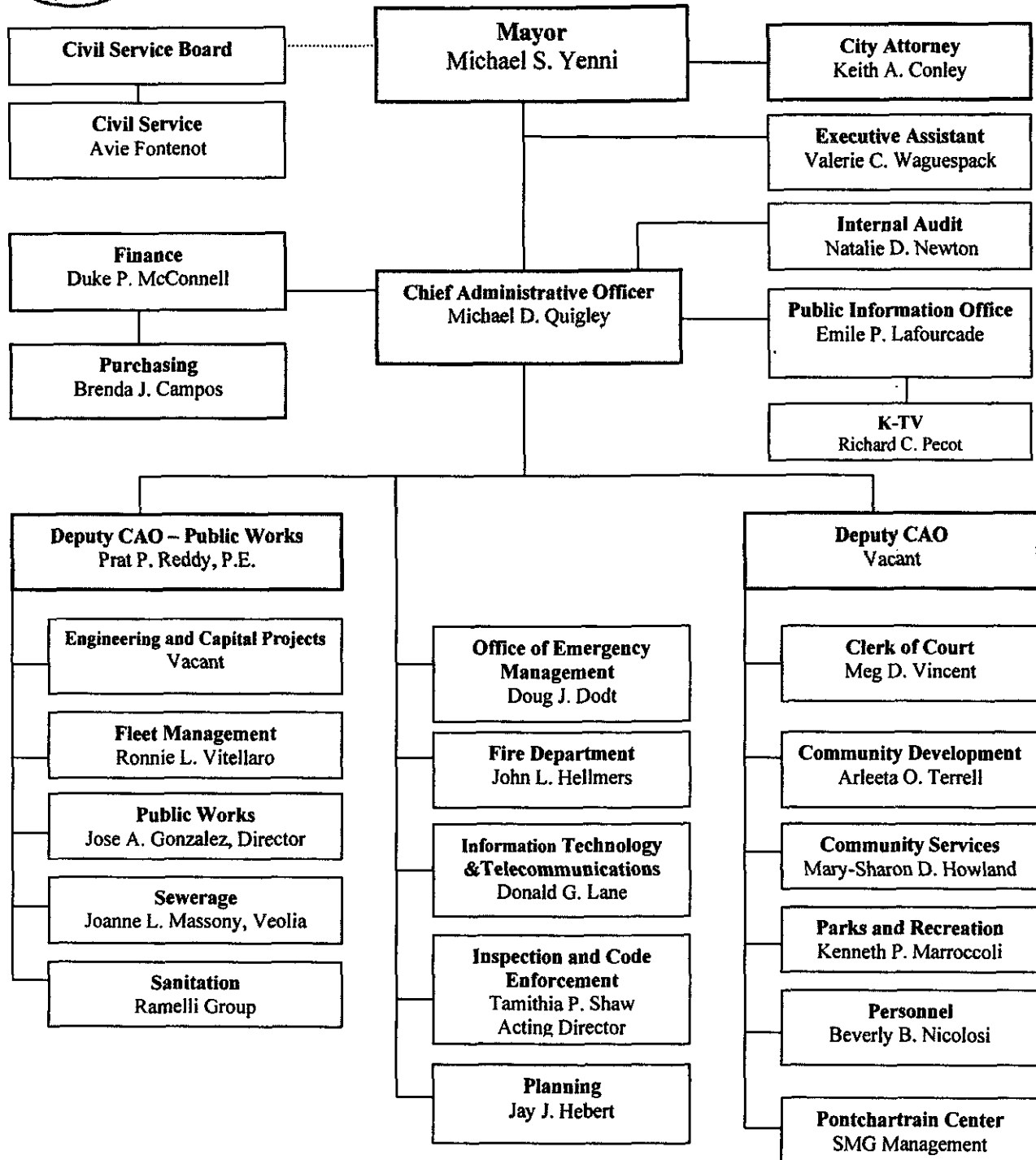
DEPARTMENT HEADS

Inspection and Code Enforcement
Community Development
Community Services
Parks and Recreation
Human Resources
Planning
Purchasing
Fire Chief
Public Information Officer
Court
Information Technology
Internal Audit
Council Clerk
Civil Service
Fleet Management
Public Works

Tamitha Shaw (Acting Director)
Arleeta Terrell
Mary Sharon Howland
Ken Marroccoli
Beverly Nicolosi
Jay Hebert
Brenda Campos
John Hellmers
Emile Lafourcade
Meg Casler
Donald Lane
Natalie Newton
Natalie Hall
Avie Fontenot
Ronnie Vitellaro
Jose Gonzalez

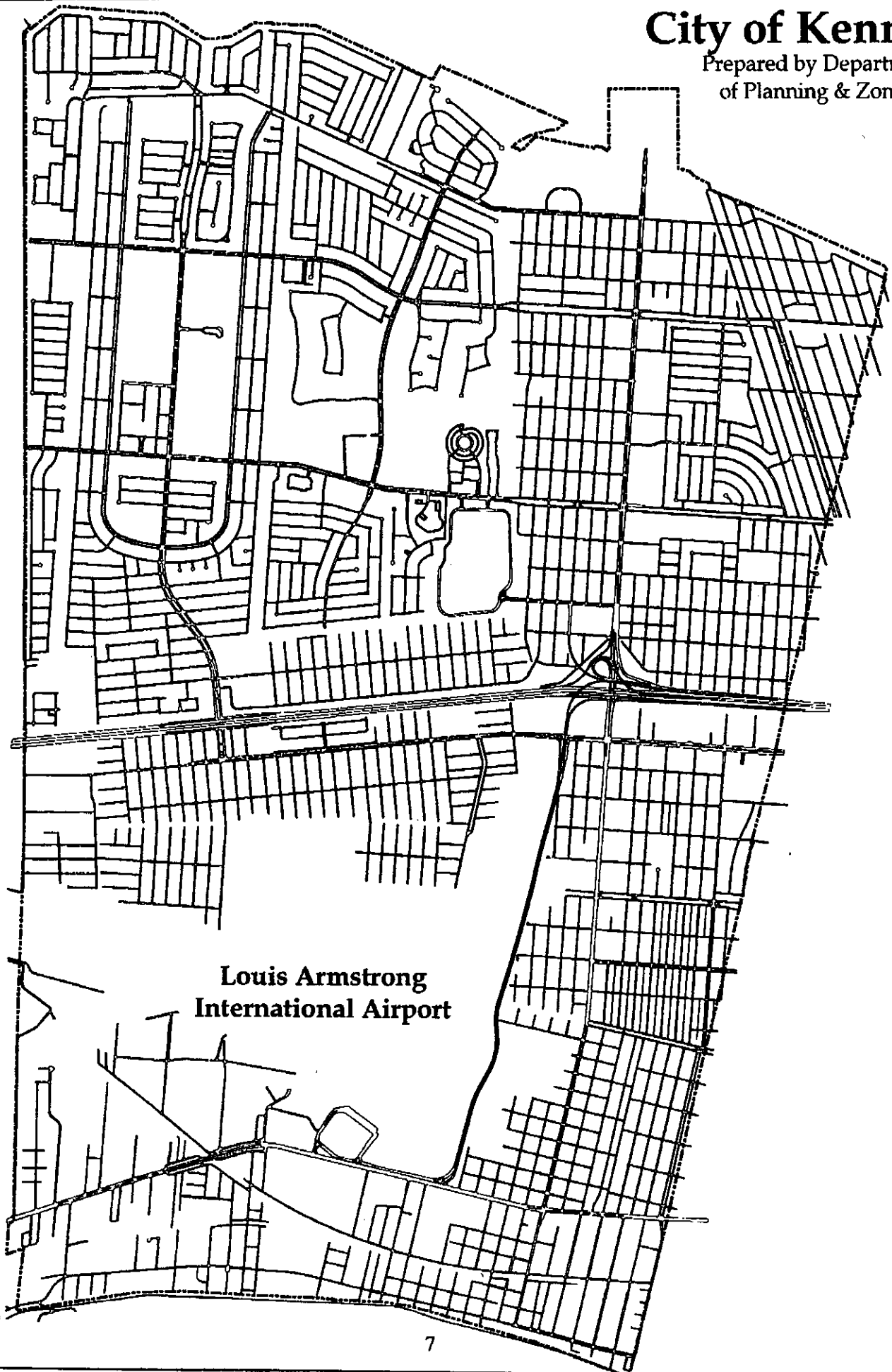


City of Kenner Organization of Government



City of Kenner

Prepared by Department
of Planning & Zoning



**Louis Armstrong
International Airport**

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FINANCIAL SECTION



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
DAVID A. BURGARD, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.

ANN H. HEBERT, C.P.A.
GRADY C. LLOYD, III, C.P.A.
HENRY L. SILVIA, C.P.A.

A.J. DUPLANTIER JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

INDEPENDENT AUDITOR'S REPORT

December 30, 2010

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kenner, Louisiana as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Kenner, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kenner, Louisiana as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report December 30, 2010 on our consideration of the City of Kenner, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 15, required supplementary information on pages 61 through 68, and other supplementary information on page 108 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kenner, Louisiana, basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, other supplementary information on pages 74-92 and 100-107, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City of Kenner, Louisiana. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory, other supplementary information on pages 74-92 and 100-107, and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

REQUIRED SUPPLEMENTARY INFORMATION - PART I

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

This management discussion and analysis is intended to provide the readers of the City's financial statements with an overview and analysis of the financial activities of the City for the year ended June 30, 2010. It should be read in conjunction with the transmittal letter and financial statements including footnotes.

FINANCIAL HIGHLIGHTS

The assets of the City exceeded its liabilities by approximately \$310 million at June 30, 2010. Of this amount approximately \$294 million is in capital assets net of related debt.

The City's unrestricted net assets in governmental activities are approximately (\$1.6) million, which is a substantial decrease primarily due to the continued implementation of GASB 45, an increase in the claims outstanding in the City's self-insurance funds and depreciation.

Business type activities unrestricted net assets are approximately \$.6 million.

The City's total net assets decreased by approximately \$21 million. Net assets of governmental activities decreased by approximately \$16 million due to capital additions of approximately \$7 million, depreciation of approximately \$18 million and due to scheduled debt payments. Net assets of business type activities decreased by approximately \$5 million due to \$1 million in capital additions less \$4 million in depreciation and due to a revenue shortfall in the wastewater operations fund.

The City's governmental funds reported combined unreserved undesignated fund balances of approximately \$4.3 million with approximately \$4.3 million in the general fund which is the same amount as last year. Revenues continued to decrease due to the national recession however the city reduced its expenditures by eliminating positions through a hiring freeze and by cutting departmental expenditures.

The fund balance in the General Debt Fund decreased due to the maturity of the 2000 certificates of indebtedness in January of 2010 paid partially with funds accumulated in prior years.

The fund balance in the General Capital Projects Fund decreased due to the completion of various infrastructure projects which were budgeted in prior years. The deficit of \$.5 million in the Capital Projects Funded with Bond Proceeds Fund will be eliminated when arbitrage calculations are complete and interest is rebated to the fund.

The unreserved undesignated fund balance of the general fund represents 7.6% of the City's operating expenditures.

The City's total debt decreased by approximately \$4 million due to an increase of \$2 million drawn-down from a new \$22 million dollar loan from the Louisiana Department of Environmental Quality for sewer improvements and due to scheduled debt payments of approximately \$6 million made during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The management discussion and analysis serves as an introduction to the City's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the financial statements. Also included in the report is required supplementary information.

Government-wide financial statements. The government-wide financial statements report information about the overall finances of the City similar to a business enterprise. The statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The statement of net assets presents information on all of the City's assets, less liabilities, which results in net assets. The statement is designed to display the financial position of the City. Over time, increases or decreases in net assets help determine whether the City's financial position is improving or deteriorating.

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

The statement of activities provides information which shows how the City's net assets changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities distinguish functions of the City that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) from functions where user fees and charges to customers help to cover all or most of the cost of services (business-type activities). The City's governmental activities include general government, public safety, public works, cultural and recreation, health and welfare and transit and urban development. The business-type activities of the City include the City's sewer system and civic center.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city uses fund accounting to ensure and demonstrate fiscal accountability. The City uses governmental, proprietary, and fiduciary fund financial statements to provide more detailed information about the City's most significant funds rather than the City as a whole.

Governmental funds. Governmental funds are used to report most of the City's basic services. The funds focus on the inflows and outflows of current resources and the balance of spendable resources available at the end of the fiscal year. Governmental fund statements provide a near or short-term view of the City's operations. A reconciliation is prepared of the governmental funds Balance Sheet to the Statement of Net Assets and the Statement of Revenues, Expenditures, and Changes in Fund Balances of governmental funds to the Statement of Activities.

Twelve governmental funds are used by the City. The City has seven major governmental funds, which have separately presented information in the governmental fund Balance Sheet, and Statement of Revenues and Expenditures and Changes in Fund Balance. The major funds are the General Fund, One Percent Sales Tax of 1984 Fund, Garbage Collection and Disposal Fund, Fire Protection Fund, General Debt Fund, General Capital Projects Fund, and Capital Projects Funded with Bond Proceeds Fund. The five non-major funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

The City adopts an annual budget for its governmental funds with the exception of the Capital Projects Funded with Bond Proceeds Fund. Budgetary comparison statements have been provided for these funds.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer and civic center operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health care and self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the sewer and civic center, both of which are considered major funds of the City.

Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements and elsewhere in this report.

The City also adopts an annual budget for its enterprise funds, and budgetary comparison statements are provided for these funds.

CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the City cannot use these assets for its operations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

Net assets. The following table reflects condensed information on the City's net assets for the current and prior years.

	Net Assets June 30, (In thousands)					
	Governmental Activities 2010	Business-type Activities 2010	Total 2010	Governmental Activities 2009	Business-type Activities 2009	Total 2009
Assets:						
Current and other assets	\$ 34,296	\$ 1,374	\$ 35,670	\$ 40,265	\$ 3,254	\$ 43,519
Capital assets	<u>268,434</u>	<u>67,465</u>	<u>335,899</u>	<u>280,191</u>	<u>70,647</u>	<u>350,838</u>
Total assets	<u>302,730</u>	<u>68,839</u>	<u>371,569</u>	<u>320,456</u>	<u>73,901</u>	<u>394,357</u>
Liabilities:						
Long-term outstanding debt	52,544	-	52,544	52,981	-	52,981
Other liabilities	<u>8,043</u>	<u>756</u>	<u>8,799</u>	<u>9,618</u>	<u>1,016</u>	<u>10,634</u>
Total liabilities	<u>60,587</u>	<u>756</u>	<u>61,343</u>	<u>62,599</u>	<u>1,016</u>	<u>63,615</u>
Net assets:						
Invested in capital assets, net of related debt	226,327	67,465	293,792	234,218	70,647	304,865
Restricted	17,384	-	17,384	22,121	-	22,121
Unrestricted	<u>(1,568)</u>	<u>619</u>	<u>(949)</u>	<u>1,517</u>	<u>2,238</u>	<u>3,755</u>
Total net assets	<u>\$ 242,143</u>	<u>\$ 68,084</u>	<u>\$ 310,227</u>	<u>\$ 257,856</u>	<u>\$ 72,885</u>	<u>\$ 330,741</u>

CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

Changes in net assets. The City's total revenues and expenses for governmental and business-type activities are reflected in the following chart for the current and prior years.

	Changes in Net Assets June 30, (In thousands)					
	Governmental Activities 2010	Business-type Activities 2010	Total 2010	Governmental Activities 2009	Business-type Activities 2009	Total 2009
Revenues:						
Program revenues:						
Charges for services	\$ 16,142	\$ 4,785	\$ 20,927	\$ 13,577	\$ 4,857	\$ 18,434
Operating grants & Contributions	2,321	-	2,321	2,737	-	2,737
Capital grants & Contributions	3,617	326	3,943	1,104	2,021	3,125
General revenues:						
Property taxes	7,479	522	8,001	7,753	510	8,263
Sales taxes	29,759	382	30,141	31,581	340	31,921
Other taxes	9,591	454	10,045	10,058	440	10,498
Grants & contributions not restricted to specific program	118	3	121	1,068	-	1,068
Other	281	13	294	1,156	24	1,180
Total revenues	69,308	6,485	75,793	69,034	8,192	77,226
Program expenses:						
General government	12,446	-	12,446	13,019	-	13,019
Public safety	28,176	-	28,176	28,264	-	28,264
Public works	30,432	-	30,432	36,923	-	36,923
Health and welfare	927	-	927	981	-	981
Culture and recreation	9,551	-	9,551	7,250	-	7,250
Transit & urban development	1,982	-	1,982	1,673	-	1,673
Miscellaneous	-	-	-	-	-	-
Interest on long term debt	1,858	-	1,858	2,044	-	2,044
Sewer operations	-	7,283	7,283	-	7,337	7,337
Civic center operations	-	3,157	3,157	-	3,150	3,150
Total expenses	85,372	10,440	95,812	90,154	10,487	100,641
Change in net assets before Transfer and Extraordinary Items	(16,064)	(3,955)	(20,019)	(21,120)	(2,295)	(23,415)
Transfers	350	(350)	-	(225)	225	-
Change in net assets before Extraordinary Items	(15,714)	(4,305)	(20,019)	(21,345)	(2,070)	(23,415)
Extraordinary Items						
Loss on Insurance Settlement	-	(498)	(498)	-	-	-
Change in net assets	(15,714)	(4,803)	(20,517)	(21,345)	(2,070)	(23,415)
Net assets-beginning of year	257,857	72,887	330,744	279,202	74,957	354,159
Net assets-end of year	\$ 242,143	\$ 68,084	\$ 310,227	\$ 257,857	\$ 72,887	\$ 330,744

CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets as of June 30, 2010 for its governmental and business-type activities was approximately \$336 million, net of depreciation as reflected in the schedule below:

Capital Assets
June 30, 2010
(Net of depreciation in thousands)

	Governmental Activities	Business-type Activities	Total
Land	\$ 9,674	\$ 3,799	\$ 13,473
Construction in progress	20,331	4,822	25,153
Buildings	22,771	53,435	76,206
Improvements other than buildings	4,180	349	4,529
Equipment	9,000	5,060	14,060
Infrastructure	<u>202,478</u>	<u>-</u>	<u>202,478</u>
Total	<u>\$ 268,434</u>	<u>\$ 67,465</u>	<u>\$ 335,899</u>

The majority of the capital additions for the year were for infrastructure as the City continued a major program of infrastructure improvements including roads, drainage and sewerage. The City also purchased additional equipment and upgraded facilities for the Police, Fire, Recreation and Public Works departments and continued expenditures for the City's computer system. For additional information on capital asset activity see note "H" in the Notes to the Financial Statements section.

Long-term debt. At year-end, the City had approximately \$49 million in long-term debt as shown in the table below.

Outstanding long-term debt
June 30, 2010
(In thousands)

	Governmental Activities	Business-type Activities	Total
Revenue bonds	\$ 26,434	\$ -	\$ 26,434
Certificates of indebtedness	200	-	200
Note payable	17,939	-	17,939
Mortgage payable	-	-	-
Other	<u>4,569</u>	<u>-</u>	<u>4,569</u>
Total	<u>\$ 49,142</u>	<u>\$ -</u>	<u>\$ 49,142</u>

The City's total long-term debt decreased by approximately \$4 million, which was explained earlier.

The City's revenue bonds continued to maintain an AAA rating.

State statutes limit the amount of government obligation debt a municipality may issue at a maximum of 10% of the assessed valuation for any purpose. The maximum may be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation. The City's outstanding general obligation debt is below the state limit. Approximately, \$201 million of additional general obligation bonded debt is available for issuance. See note "I" in the Notes to the Financial Statements section of this report for additional information on the City's Long Term Debt.

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

The economic recession continued to have a significant effect on the city and sales taxes continued to decline. The city continued the hiring freeze for all departments except Police and Fire and continued to only fill vacant positions which were considered essential. Departmental budgets were reduced again this year but it is felt that any further cuts would start to have a significant effect on the city's ability to provide the necessary services for its citizens. The city used approximately \$1.3 million in non-reoccurring funds to supplement this year's budget from funds collected in prior years for public safety issues.

The City strives to maintain an unreserved, undesignated fund balance in the general fund of approximately 10% of operating expenses. The fund balance is needed to help the city meet any unforeseen expenditures such as major storms, etc. and to meet the city's cash flow needs as several services are financed using property tax millages such as garbage services and fire protection and the property taxes are not collected until the middle of the fiscal year. As noted earlier the fund balance is now 7.6% of operating expenses.

The City's total expenditures decreased by approximately \$5 million. The decrease was due to less capital projects completed during the year and no major storm events this year while last year the city incurred significant expenditures from the cleanup of hurricane Gustav.

The city also continues to rebuild damaged facilities from hurricane Katrina with funding received from FEMA.

BUDGETARY HIGHLIGHTS

General fund revenues came in significantly lower than the original budget due to the reduction in sales taxes however major amendments to the budget were made during the year to cover the revenue shortfall of approximately \$2 million.

General fund expenditures were also significantly under the original budget due to the hiring freeze and reducing the departmental budgets in response to the revenue shortfall. The budget amendments also reduced the budgeted expenditures to balance the budget.

ECONOMIC OUTLOOK

Sales taxes, the city's primary revenue, after having been down consistently for the last two years, have been fluctuating over the last several months with some months coming in higher than last year and some months coming in lower. While sales taxes appear to be slightly improving they are still significantly lower than levels prior to the recession and are not nearly enough to provide adequate services to the citizens.

The city has had a hiring freeze for the last two years and has made numerous cuts in departmental budgets however it is felt that any additional cuts would significantly affect the level of services that the city can provide to its citizens. The city will need additional revenues to maintain necessary services and is proposing an increase in property taxes for police and fire protection in the coming year.

The city continues to be under a compliance order from the Louisiana Department of Environmental Quality, which will require substantial improvements to the sewer system. In November 2010 the city council approved an increase in the city's sewer service charge to adequately fund the city's sewerage operation and to provide funds to debt service the loan received from the Louisiana Department of Environmental Quality of \$22 million made in December of 2009 and to debt service an additional \$32 million of bonds the city intends to issue over the next few years to do the necessary repairs and improvements to bring the system back in compliance.

BASIC FINANCIAL STATEMENTS

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2010

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$ 5,753,458	\$ 554,606	\$ 6,308,064
Equity in pooled cash	2,896,382	-	2,896,382
Investments	5,527,320	-	5,527,320
Receivables (net, where applicable, of allowances for uncollectibles)			
Taxes	1,334,584	-	1,334,584
Accounts	4,083,028	-	4,083,028
Intergovernmental	8,626,530	333,705	8,960,235
Special assessments - delinquent	477	-	477
Interest	2,500	-	2,500
Service charges	-	1,427,287	1,427,287
Other	10,495	3,785,888	3,796,383
Internal balances	4,775,248	(4,775,248)	-
Inventory, at cost	99,903	-	99,903
Prepaid items	402,342	44,291	446,633
Deferred charges	783,761	-	783,761
Refundable deposits	-	3,669	3,669
Capital assets not being depreciated	30,005,110	8,620,710	38,625,820
Capital assets being depreciated, net of accumulated depreciation	238,428,987	58,844,111	297,273,098
Total assets	302,730,125	68,839,019	371,569,144
LIABILITIES			
Accounts payable	1,951,220	543,353	2,494,573
Estimated claims payable	3,681,894	-	3,681,894
Contracts payable	11,865	-	11,865
Retainages payable	101,041	-	101,041
Accrued liabilities	1,330,853	42,371	1,373,224
Deposits on future events	-	84,739	84,739
Due to other governments	144,997	-	144,997
Uncollected revenue	680,887	85,072	765,959
Other liabilities	140,201	-	140,201
Current portion of long-term debt	6,589,373	-	6,589,373
Non-current liabilities:			
Due in more than one year	45,954,776	-	45,954,776
Total liabilities	60,587,107	755,535	61,342,642
NET ASSETS			
Invested in capital assets, net of related debt	226,326,766	67,464,821	293,791,587
Restricted for:			
Capital projects	13,639,141	-	13,639,141
Debt service	3,745,308	-	3,745,308
Unrestricted	(1,568,197)	618,663	(949,534)
Total net assets	\$ 242,143,018	\$ 68,083,484	\$ 310,226,502

The accompanying notes are an integral part of this statement.

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CITY OF KENNER, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 12,445,711	\$ 5,959,847	\$ 386,790	\$ 31,083	\$ (6,067,991)	\$ -	\$ (6,067,991)
Public safety	28,176,202	4,828,953	692,428	1,016	(22,653,805)	-	(22,653,805)
Public works	30,431,909	4,027,778	4,090	3,558,969	(22,841,072)	-	(22,841,072)
Health and welfare	927,097	79,544	-	-	(847,553)	-	(847,553)
Culture and recreation	9,550,670	1,141,959	-	26,406	(8,382,305)	-	(8,382,305)
Transit and urban development	1,981,932	104,001	1,237,747	-	(640,184)	-	(640,184)
Interest on long-term debt and other charges	1,858,468	-	-	-	(1,858,468)	-	(1,858,468)
Total Governmental Activities	85,371,989	16,142,082	2,321,055	3,617,474	(63,291,378)	-	(63,291,378)
Business-type Activities							
Wastewater Operations	7,282,712	3,517,961	-	325,899	-	(3,438,852)	(3,438,852)
Civic Center Operations	3,156,767	1,266,846	-	-	-	(1,889,921)	(1,889,921)
Total Business-type Activities	10,439,479	4,784,807	-	325,899	-	(5,328,773)	(5,328,773)
Total	\$ 95,811,468	\$ 20,926,889	\$ 2,321,055	\$ 3,943,373	(63,291,378)	(5,328,773)	(68,620,151)
General Revenues:							
Taxes:							
Ad valorem					7,479,348	522,429	8,001,777
Sales and use					29,758,967	382,424	30,141,391
Beer tax					77,085	-	77,085
Parking					1,864,772	-	1,864,772
Franchise					7,648,751	454,143	8,102,894
Grants and contributions not restricted to specific programs					118,139	2,552	120,691
Investment earnings					40,466	1,139	41,605
Miscellaneous					240,378	11,545	251,923
Loss on insurance settlement					-	(497,644)	(497,644)
Transfers					350,000	(350,000)	-
Total general revenues and transfers					47,577,906	526,588	48,104,494
Change in Net Assets					(15,713,472)	(4,802,185)	(20,515,657)
Net assets - beginning of year					257,856,490	72,885,669	330,742,159
Net assets - end of year					\$ 242,143,018	\$ 68,083,484	\$ 310,226,502

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>	<u>FIRE PROTECTION</u>
ASSETS				
Cash	\$ 1,531,659	\$ -	\$ 77,321	\$ -
Equity in pooled cash	572,023	-	1,305,666	30,288
Investments	31	-	-	801,198
Receivables (net, where applicable, of allowances for uncollectibles)				
Taxes	1,334,584	-	-	-
Accounts	3,149,660	-	-	55,854
Intergovernmental	3,379,228	1,855,024	55,845	18,623
Special assessments - delinquent	477	-	-	-
Interest	-	-	-	-
Other	-	-	506	201
Due from other funds	12,199,743	74,766	-	895,436
Inventory, at cost	99,903	-	-	-
Prepaid items	402,342	-	-	-
Total assets	<u>\$ 22,669,650</u>	<u>\$ 1,929,790</u>	<u>\$ 1,439,338</u>	<u>\$ 1,801,600</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 346,947	\$ -	\$ 13,957	\$ 22,342
Contracts payable	-	-	11,865	-
Retainages payable	-	-	-	-
Accrued liabilities	770,199	-	46,277	168,093
Due to other funds	11,451,065	1,929,789	865,298	1,049,068
Due to other governments	144,997	-	-	-
Deferred revenues	938,537	-	-	544,105
Other liabilities	140,201	-	-	-
Total liabilities	<u>13,791,946</u>	<u>1,929,789</u>	<u>937,397</u>	<u>1,783,608</u>
Fund balances:				
Reserved for:				
Encumbrances	749,425	-	7,340	-
Inventory	99,903	-	-	-
Prepaid items	402,342	-	-	-
Restricted expenditures	1,680,747	-	-	-
Capital expenditures	-	-	-	-
Debt service	-	-	-	-
Unreserved, designated for:				
Subsequent year's expenditures	1,647,838	-	-	-
Capital additions and improvements	-	-	-	-
Unreserved, undesignated:				
General fund	4,297,449	-	-	-
Special revenue funds	-	1	494,601	17,992
Capital project funds	-	-	-	-
Total fund balances	<u>8,877,704</u>	<u>1</u>	<u>501,941</u>	<u>17,992</u>
Total liabilities and fund balances	<u>\$ 22,669,650</u>	<u>\$ 1,929,790</u>	<u>\$ 1,439,338</u>	<u>\$ 1,801,600</u>

The accompanying notes are an integral part of this statement.

<u>GENERAL DEBT</u>	<u>GENERAL CAPITAL PROJECTS</u>	<u>CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 2,339,270	\$ 685,710	\$ 109,172	\$ 8,432	\$ 4,751,564
642,023	49,561	-	296,821	2,896,382
-	4,007,114	1	1	4,808,345
-	-	-	-	1,334,584
-	-	-	877,514	4,083,028
681,452	1,718,730	766,081	151,547	8,626,530
-	-	-	-	477
2,500	-	-	-	2,500
-	9,750	-	38	10,495
-	8,806,016	752,261	1,339,922	24,068,144
-	-	-	-	99,903
-	-	-	-	402,342
<u>\$ 3,665,245</u>	<u>\$ 15,276,881</u>	<u>\$ 1,627,515</u>	<u>\$ 2,674,275</u>	<u>\$ 51,084,294</u>
\$ -	\$ 1,009,338	\$ 163,347	\$ 395,289	\$ 1,951,220
-	-	-	-	11,865
-	93,051	7,990	-	101,041
-	-	-	51,832	1,036,401
614,998	514,644	1,646,863	1,359,491	19,431,216
-	-	-	-	144,997
-	-	350,990	139,756	1,973,388
-	-	-	-	140,201
<u>614,998</u>	<u>1,617,033</u>	<u>2,169,190</u>	<u>1,946,368</u>	<u>24,790,329</u>
-	20,707	-	542	778,014
-	-	-	-	99,903
-	-	-	-	402,342
-	-	-	-	1,680,747
-	-	-	-	-
3,050,247	-	-	695,061	3,745,308
-	-	-	-	1,647,838
-	13,639,141	-	-	13,639,141
-	-	-	-	4,297,449
-	-	-	32,304	544,898
-	-	(541,675)	-	(541,675)
<u>3,050,247</u>	<u>13,659,848</u>	<u>(541,675)</u>	<u>727,907</u>	<u>26,293,965</u>
<u>\$ 3,665,245</u>	<u>\$ 15,276,881</u>	<u>\$ 1,627,515</u>	<u>\$ 2,674,275</u>	<u>\$ 51,084,294</u>

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**CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010**

Fund balances - total governmental funds	\$ 26,293,965
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	268,434,097
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(1,822,705)
Certain revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	1,292,501
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	(294,452)
Compensated absences	(4,568,571)
OPEB Payable	(3,402,817)
Bonds, notes, and loans payable (net of premiums, discounts and deferred charges)	<u>(43,789,000)</u>
Net assets of governmental activities	<u>\$ 242,143,018</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>	<u>FIRE PROTECTION</u>
REVENUES				
Taxes	\$ 24,065,374	\$ 10,081,222	\$ -	\$ 3,861,393
Licenses and permits	4,402,801	-	-	-
Intergovernmental	2,137,415	-	1,237,747	-
Charges for services	1,416,830	-	-	690
Fines and forfeitures	2,124,594	-	-	-
Interest	8,809	-	49	(183)
Miscellaneous	923,246	-	-	456,632
Total revenues	<u>35,079,069</u>	<u>10,081,222</u>	<u>1,237,796</u>	<u>4,318,532</u>
EXPENDITURES				
Current:				
General government	9,966,508	-	-	-
Public safety	17,637,407	-	-	7,104,479
Public works	3,279,744	-	156,679	-
Health and welfare	684,543	-	-	-
Culture and recreation	5,001,376	-	15,019	-
Transit and urban development	410,001	-	1,448,564	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Agent fees	-	-	-	-
Miscellaneous	-	-	-	-
Total expenditures	<u>36,979,579</u>	<u>-</u>	<u>1,620,262</u>	<u>7,104,479</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,900,510)</u>	<u>10,081,222</u>	<u>(382,466)</u>	<u>(2,785,947)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,150,345	-	382,466	3,001,173
Transfers out	(7,207,309)	(10,081,222)	-	(215,225)
Long-term debt issued	-	-	-	-
Debt issuance costs	-	-	-	-
Total other financing sources and uses	<u>1,943,036</u>	<u>(10,081,222)</u>	<u>382,466</u>	<u>2,785,948</u>
Net change in fund balances	42,526	-	-	1
Fund balances - beginning of year	<u>8,835,178</u>	<u>1</u>	<u>501,941</u>	<u>17,991</u>
Fund balances - end of year	<u>\$ 8,877,704</u>	<u>\$ 1</u>	<u>\$ 501,941</u>	<u>\$ 17,992</u>

The accompanying notes are an integral part of this statement.

<u>GENERAL DEBT</u>	<u>GENERAL CAPITAL PROJECTS</u>	<u>CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 4,084,141	\$ -	\$ -	\$ 3,707,151	\$ 45,799,281
-	-	-	-	4,402,801
-	3,446,669	-	4,090	6,825,921
-	-	-	2,990,964	4,408,484
-	-	-	-	2,124,594
4,079	206	219	22	13,201
-	78,899	-	-	1,458,777
<u>4,088,220</u>	<u>3,525,774</u>	<u>219</u>	<u>6,702,227</u>	<u>65,033,059</u>
-	490,943	-	-	10,457,451
-	149,806	-	-	24,891,692
-	4,962,920	2,383,912	7,157,440	17,940,695
-	-	-	-	684,543
-	3,548,102	-	-	8,564,497
-	-	-	-	1,858,565
4,495,000	-	-	1,451,595	5,946,595
1,154,504	-	-	769,940	1,924,444
-	-	-	-	-
36,000	-	-	-	36,000
<u>5,685,504</u>	<u>9,151,771</u>	<u>2,383,912</u>	<u>9,378,975</u>	<u>72,304,482</u>
<u>(1,597,284)</u>	<u>(5,625,997)</u>	<u>(2,383,693)</u>	<u>(2,676,748)</u>	<u>(7,271,423)</u>
808,581	4,536,388	117,975	2,712,762	20,709,690
(614,645)	(2,265,352)	-	(107,613)	(20,491,366)
-	-	2,150,621	-	2,150,621
-	-	(117,975)	-	(117,975)
<u>193,936</u>	<u>2,271,036</u>	<u>2,150,621</u>	<u>2,605,149</u>	<u>2,250,970</u>
(1,403,348)	(3,354,961)	(233,072)	(71,599)	(5,020,453)
<u>4,453,595</u>	<u>17,014,809</u>	<u>(308,603)</u>	<u>799,506</u>	<u>31,314,418</u>
<u>\$ 3,050,247</u>	<u>\$ 13,659,848</u>	<u>\$ (541,675)</u>	<u>\$ 727,907</u>	<u>\$ 26,293,965</u>

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CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Net change in fund balances, total governmental funds \$ (5,020,453)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlays	6,586,341
Depreciation expense	(18,299,491)
Loss on the disposal of capital assets	(44,213)

Certain governmental revenues will not be collected for several months after year-end and are deferred in the governmental funds. (375,768)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 4,015,925

Payment of compensated absences is reported as expenditures in the governmental funds when actually paid. However, on the statement of activities compensated absences are expensed as they are accrued. This is the change in the compensated absence liability. (87,171)

Payment of other post employment benefits is reported as expenditures in the governmental funds when actually paid. However, on the statement of activities other post employment benefits are expensed as they are accrued. This is the change in the other post employment liability. (1,752,308)

Internal service funds are used by management to charge the costs of insurance to individual funds. The net revenue (expense) of internal service funds are reported with governmental activities. (736,334)

Change in net assets of governmental activities \$ (15,713,472)

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	
ASSETS				
Current assets:				
Cash	\$ 137,024	\$ 417,582	\$ 554,606	\$ 1,001,894
Equity in pooled cash	-	-	-	-
Investments	-	-	-	718,975
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	-	-	-	-
Intergovernmental	192,618	141,087	333,705	-
Service charges	1,285,197	142,090	1,427,287	-
Other	-	3,785,888	3,785,888	-
Due from other funds	296,438	-	296,438	287,049
Prepaid expenses	44,291	-	44,291	-
Refundable deposits	3,669	-	3,669	-
Total current assets	1,959,237	4,486,647	6,445,884	2,007,918
Noncurrent assets:				
Capital assets:				
Land	-	3,798,726	3,798,726	-
Buildings and improvements	81,202,064	20,111,931	101,313,995	-
Improvements other than buildings	-	1,754,533	1,754,533	-
Furniture and fixtures	13,273,546	4,062,156	17,335,702	-
Vehicles and field equipment	1,398,938	-	1,398,938	-
Construction in progress	4,821,984	-	4,821,984	-
Less: accumulated depreciation	(51,846,967)	(11,112,090)	(62,959,057)	-
Total capital assets, net	48,849,565	18,615,256	67,464,821	-
Total noncurrent assets	48,849,565	18,615,256	67,464,821	-
Total assets	\$ 50,808,802	\$ 23,101,903	\$ 73,910,705	\$ 2,007,918

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2010

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF</u>	<u>CIVIC</u>		<u>ACTIVITIES</u>
	<u>WASTEWATER</u>	<u>CENTER</u>		<u>INTERNAL</u>
	<u>OPERATIONS</u>	<u>OPERATIONS</u>	<u>TOTAL</u>	<u>SERVICE</u>
				<u>FUNDS</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 337,695	\$ 205,658	\$ 543,353	\$ -
Retainage payable	-	-	-	-
Estimated claims payable	-	-	-	3,681,894
Current portion of mortgage payable	-	-	-	-
Accrued liabilities	-	42,371	42,371	-
Deposits on future events	-	84,739	84,739	-
Due to other funds	3,318,227	1,753,459	5,071,686	148,729
Deferred revenue	85,072	-	85,072	-
	<u>3,740,994</u>	<u>2,086,227</u>	<u>5,827,221</u>	<u>3,830,623</u>
Total current liabilities				
Noncurrent liabilities:				
Mortgage payable (net of current portion)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,740,994</u>	<u>2,086,227</u>	<u>5,827,221</u>	<u>3,830,623</u>
NET ASSETS				
Invested in capital assets	48,849,565	18,615,256	67,464,821	-
Restricted	-	-	-	-
Unrestricted	(1,781,757)	2,400,420	618,663	(1,822,705)
	<u>(1,781,757)</u>	<u>2,400,420</u>	<u>618,663</u>	<u>(1,822,705)</u>
Total net assets	<u>\$ 47,067,808</u>	<u>\$ 21,015,676</u>	<u>\$ 68,083,484</u>	<u>\$ (1,822,705)</u>

The accompanying notes are an integral part of this statement.

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CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	
OPERATING REVENUES				
Charges for services	\$ 3,517,961	\$ 1,266,846	\$ 4,784,807	\$ 4,695,276
Miscellaneous	2	11,543	11,545	-
Total operating revenues	<u>3,517,963</u>	<u>1,278,389</u>	<u>4,796,352</u>	<u>4,695,276</u>
OPERATING EXPENSES				
Supplies and other expenses	276	25,929	26,205	-
Building and maintenance expenses	84,159	523,238	607,397	-
Outside services	4,891,325	1,188,516	6,079,841	142,944
Insurance claims	-	-	-	1,093,422
Insurance premiums	-	95,883	95,883	4,327,083
Depreciation	2,291,608	1,289,381	3,580,989	-
Other	15,344	33,820	49,164	-
Total operating expenses	<u>7,282,712</u>	<u>3,156,767</u>	<u>10,439,479</u>	<u>5,563,449</u>
Operating income (loss)	<u>(3,764,749)</u>	<u>(1,878,378)</u>	<u>(5,643,127)</u>	<u>(868,173)</u>
NON-OPERATING REVENUES (EXPENSES)				
Ad valorem taxes	522,429	-	522,429	-
Hotel/motel taxes	-	382,424	382,424	-
Cable television franchise fees	-	454,143	454,143	-
Intergovernmental	2,552	-	2,552	-
Interest income	365	774	1,139	163
Interest expense	-	-	-	-
Gain on disposal of assets	-	-	-	-
Total non-operating revenues	<u>525,346</u>	<u>837,341</u>	<u>1,362,687</u>	<u>163</u>
Income (loss) before contributions, transfers and extraordinary item	<u>(3,239,403)</u>	<u>(1,041,037)</u>	<u>(4,280,440)</u>	<u>(868,010)</u>
Capital contributions	325,899	-	325,899	-
Loss on insurance receivable	-	(497,644)	(497,644)	-
Transfers in (out)	-	(350,000)	(350,000)	131,676
Change in net assets	<u>(2,913,504)</u>	<u>(1,888,681)</u>	<u>(4,802,185)</u>	<u>(736,334)</u>
Net assets - beginning of year	<u>49,981,312</u>	<u>22,904,357</u>	<u>72,885,669</u>	<u>(1,086,371)</u>
Net assets - end of year	<u>\$ 47,067,808</u>	<u>\$ 21,015,676</u>	<u>\$ 68,083,484</u>	<u>\$ (1,822,705)</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 3,428,353	\$ 1,219,073	\$ 4,647,426	\$ 4,695,276
Payments to suppliers	(5,287,286)	(1,775,190)	(7,062,476)	(5,369,794)
Internal activity - payments (to)/from other funds	523,668	(26,785)	496,883	(69,802)
Net cash used for operating activities	(1,335,265)	(582,902)	(1,918,167)	(744,320)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Ad valorem taxes	522,429	-	522,429	-
Hotel/motel taxes	-	289,278	289,278	-
Cable television franchise fees	-	553,685	553,685	-
Internal activity - receipts from other funds	-	-	-	(139,064)
Net cash provided by noncapital financing activities	522,429	842,963	1,365,392	(139,064)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Intergovernmental	805,327	-	805,327	-
Principal payments - mortgage payable	-	-	-	-
Interest payments	-	-	-	-
Internal activity - payments to other funds	-	(350,000)	(350,000)	-
Purchase of capital assets	-	(72,484)	(72,484)	-
Net cash provided by (used for) capital , and related financing activities	805,327	(422,484)	382,843	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	-	-	-	4,529,743
Purchase of investments	-	-	-	(4,007,042)
Interest and dividends received	365	773	1,138	165
Net cash provided by investing activities	365	773	1,138	522,866
Net increase (decrease) in cash and cash equivalents	(7,144)	(161,650)	(168,794)	(360,518)
Cash and cash equivalents, beginning of year	144,168	579,232	723,400	1,362,412
Cash and cash equivalents, end of year	\$ 137,024	\$ 417,582	\$ 554,606	\$ 1,001,894

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	
Reconciliation to Statement of Net Assets:				
Cash	\$ 137,024	\$ 417,582	\$ 554,606	\$ 1,001,894
Equity in pooled cash	-	-	-	-
Cash and cash equivalents, end of year	<u>\$ 137,024</u>	<u>\$ 417,582</u>	<u>\$ 554,606</u>	<u>\$ 1,001,894</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (3,764,749)	\$ (1,878,378)	\$ (5,643,127)	\$ (868,173)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	2,291,608	1,289,381	3,580,989	-
Change in current assets and current liabilities:				
Decrease (increase) in receivables	(109,969)	50,726	(59,243)	-
Decrease (increase) in due from other funds	(219,128)	-	(219,128)	(25,160)
Decrease (increase) in prepaid expenses	(44,291)	-	(44,291)	-
Increase (decrease) in accounts payable	(251,890)	89,080	(162,810)	(5,040)
Increase (decrease) in deferred revenue	9,589	-	9,589	-
Increase (decrease) in accrued liabilities	-	3,116	3,116	-
Increase (decrease) in estimated claims payable	-	-	-	198,695
Increase (decrease) in due to other funds	753,565	(26,786)	726,779	(44,642)
Increase (decrease) in deposits on future events	-	(110,041)	(110,041)	-
Total adjustments	<u>2,429,484</u>	<u>1,295,476</u>	<u>3,724,960</u>	<u>123,853</u>
Net cash provided by (used for) operating activities	<u>\$ (1,335,265)</u>	<u>\$ (582,902)</u>	<u>\$ (1,918,167)</u>	<u>\$ (744,320)</u>
Noncash investing, capital, and financing activities:				
Contributions of capital	\$ -	\$ -	\$ -	\$ -
Acquisitions of property, plant and equipment through capital contributions	-	-	-	-
Gain on fair market value of investments	-	-	-	-
(Increase) in fair market value of investments	-	-	-	-
Net effect of noncash activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010**

	<u>AIRPORT SALES TAX FUND</u>
ASSETS	
Receivables (net, where applicable, of allowance for uncollectibles)	
Intergovernmental	<u>207,230</u>
Total assets	<u><u>\$ 207,230</u></u>
LIABILITIES	
Due to other governments	<u>\$ 207,230</u>
Total liabilities	<u><u>\$ 207,230</u></u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Kenner, Louisiana's (the "City") system of government is established by its Home Rule Charter which became effective in 1974. The City operates under a mayor-council form of government. The financial statements of City of Kenner, Louisiana have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

1. REPORTING ENTITY

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Kenner has no component units.

The Police Chief is an elected official elected by the citizenry in a general, popular election. The City Council approves the annual budget for the Police Department and dedicates portions of the City's revenues to fund this department. The Police Department is not legally separate, and therefore is a function of the primary government and its operations are reported as a part of the City's General Fund.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain *indirect costs* are included as part of the program expenses reported for individual functions and activities. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements (except agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, beer taxes, parking taxes and certain state shared revenues such as tobacco taxes, parish transportation funds, and video poker monies. Sales taxes collected and held by intermediary collecting governments at year-end on behalf of the City government also are recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources and expenditures of the general government, except those required to be accounted for in another fund.

The *One Percent Sales Tax of 1984 Fund* accounts for the proceeds of sales taxes generated by a 1 percent sales tax increase. These funds are to be used to fund a municipal homestead exemption, police protection and various other city services.

The *Community Development Block Grant Fund* accounts for grants received from the Federal Community Development Block Grant Program.

The *Fire Protection Fund* accounts for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by this fund.

The *General Debt Fund* accounts for the tax levy needed to comply with the interest and principal redemption requirements of bond indentures for the following excess revenue and sales tax bonds:

Sales Tax Bonds Series 1994
Sales Tax Bonds Series 1995A
Sales Tax Bonds Series 2003
Excess Revenue Bonds Series 2000
Excess Revenue Bonds Series 2001

The *General Capital Projects Fund* accounts for projects originally funded by the General Fund and the Department of Wastewater Operations Fund. Also included are projects funded by riverboat fees.

The *Capital Projects Funded with Bond Proceeds* accounts for projects originally funded by the 1987A Series Bond proceeds, the 1987B Series Bond proceeds, and the 1988 Series Bond proceeds. These bonds were refunded by the Sales Tax Refunding Bonds, Series 1992 and subsequently by the Sales Tax Bonds Series 2003. Also included are projects funded by loans from the Louisiana Department of Environmental Quality (LDEQ) and the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) and proceeds from the Excess Revenue Bonds Series 2000 and 2001.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The City reports the following major proprietary funds:

The *Department of Wastewater Operations Fund* accounts for the sewer services provided to the residents of the City of Kenner. Effective July 1, 1995, this department was privatized.

The *Civic Center Operations Fund* accounts for the operations of the Pontchartrain Civic Center.

The City reports the following fiduciary fund:

The agency fund accounts for assets held by the City as an agent for other governmental entities.

The Airport Sales Tax Fund (agency fund) is used to account for the proceeds of sales taxes generated from a special 2% sales tax assessed within the Airport Taxing District, and to distribute to the appropriate taxing bodies.

Additionally, the City reports the following fund types:

Internal service funds account for health insurance and self insurance (automobile, property damage, worker's compensation) provided to other departments or agencies of the City on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Department of Wastewater Operations Fund, Civic Center Operations Fund and of the City's internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports uncollected revenue on its governmental fund balance sheet. Uncollected revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has legal claim to the resources, the liability for deferred revenue is removed from the governmental fund balance sheet and revenue is recognized.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control device and budgets are legally adopted at the fund level, except for the General Fund for which appropriations are adopted at the department level. Budgets are included as either required supplementary information or other supplementary information for the following funds:

General Fund

Special Revenue Funds

- One Percent Sales Tax of 1984
- Community Development Block Grant
- Garbage Collection and Disposal
- Roads and Bridges
- Street Lighting
- Fire Protection

Debt Service Funds

- General Debt
- Ad Valorem Tax Bonds
- Firemen's Pension Merger Fund

Enterprise Funds

- Department of Wastewater Operations
- Civic Center Operations

Budgetary data for the Capital Project Funds are not presented since these funds are budgeted over the life of the respective project and not on an annual basis. Budgetary accounting is not used for the Internal Service Funds (Self Insurance and Health Insurance Funds) because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget.

Expenditures may not exceed budgeted appropriations at the fund level, except for the General Fund which is at the departmental level. Appropriations lapse at year-end.

Budgets for the General, Special Revenue, Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

5. CASH, INVESTMENTS AND POOLED ASSETS

The City maintains three cash pools as follows:

- a. General Pool - maintains cash balances for all funds except the paving assessments and sewerage assessments funds.
- b. Paving Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund.
- c. Sewerage Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund.

The City follows the practice of pooling cash of all funds except for Internal Service Funds and restricted funds due to Trust Agreements and Bond Indenture Agreements. Total cash of the Pool is reported in all funds as "Equity in Pooled Cash". Funds with a negative Equity in Pooled Cash report the advance as an interfund payable and the General Fund, which has been determined to be the receivable fund by management, reports an offsetting interfund receivable. Interest earned on pooled cash is allocated to each individual fund based on its month end "Equity in Pooled Cash".

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. CASH, INVESTMENTS AND POOLED ASSETS (CONTINUED)

The entire cash balances in the General Pool Cash account, the Capital Projects Funded with Bond Proceeds and the Enterprise Funds are invested in interest bearing bank accounts. Interest is allocated among funds in the General Pool Cash account on the basis of ending monthly cash balances. The balances not needed for transactions in the other accounts are deposited in individual money market funds earning interest at market rates; minimal checks can be written on these accounts.

For the purpose of the statement of net assets, cash includes all demand and money market accounts of the City. For the purpose of the proprietary funds statement of cash flows, all highly liquid investments (including "equity in pooled cash") with maturity of three months or less when purchased are considered to be cash equivalents.

The City is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

State Law R.S. 33:2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.

6. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

7. INVENTORIES

The inventory of materials and supplies acquired by the governmental funds is accounted for under the purchase method. The inventory of parts for vehicle maintenance is accounted for under the consumption method. All inventories are recorded in the General Fund at cost, determined by the first-in, first-out method.

8. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2010 are recorded as prepaid items under the consumption method in both government-wide and fund financial statements.

9. CAPITAL ASSETS

Capital assets, which include land and land improvements, buildings, improvements other than buildings, vehicles, furniture, fixtures and equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. CAPITAL ASSETS (CONTINUED)

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major additions are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Depreciation on all capital assets, excluding land improvements and construction in progress, is calculated on the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Asset Life</u>
Buildings and Building Improvements	40
Street system	20 to 40
Drainage system	25
Office Equipment	5 to 12
Machinery and Equipment	10
Vehicles	5
Bridges	40 to 80
Sewerage system	10 to 50

10. INTANGIBLE ASSETS

During the fiscal year ended June 30, 2010, the City implemented Governmental Accounting Standards Board Statement (GASBS) No. 51, "*Accounting and Financial Reporting for Intangible Assets*." This statement requires governments to classify certain intangible assets as capital assets. GASBS No. 51 clarifies that intangible assets are those which lack physical substance, are nonfinancial in nature, and have useful lives extending beyond a single reporting period. However, goodwill, assets obtained through capital leases, and assets that are used to obtain income or generate profit are excluded from its scope. All existing GAAP for capital assets—for recognition, measurement, depreciation (called amortization in this case), and disclosure—apply to intangible assets that fall within the scope of GASBS No. 51. The City established a policy to capitalize any intangible assets, as defined in GASBS No. 51, which exceed \$50,000. Implementation of GASBS No. 51 did not have a material effect on the financial statements of the City.

11. COMPENSATED ABSENCES

Vacation (annual leave) and sick pay (sick leave) are accrued when earned. Accumulated annual leave and vested sick leave as of the end of the fiscal year is valued using employees' current rates of pay and the liability for these compensated absences is recorded as long-term debt in the government-wide financial statements.

In the fund financial statements, the governmental funds report a liability for compensated absences for the amount that has matured as a result of employee resignations and retirements. In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "*Accounting for Compensated Absences*", an additional liability is recorded for salary related payments associated with the future payment of compensated absences.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond and loan premiums and discounts are deferred and amortized over the life of the bonds or loans using the effective interest method. Bonds and loans payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. FUND EQUITY

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

14. INTERFUND SERVICES

Interfund services are accounted for as revenues, expenditures or expenses. Interfund services that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund services are reported as transfers.

For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

15. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY PROCEDURES

The procedures used by the City in establishing the budgetary data reflected in the financial statements are as follows:

- a. On or before May 1 of each year, the Mayor recommends to the City Council proposed operating and capital budgets for the ensuing fiscal year. The budget is prepared by fund, department (for the General Fund), function, and object, and includes information on the past year, current year estimates, and requested appropriations for the ensuing fiscal year.
- b. The proposed budget is summarized and advertised and, by June 15, public hearings are conducted to obtain taxpayer comments.
- c. The operating budget is then legally adopted through council ordinance by June 15.
- d. The Mayor is authorized to transfer budgeted amounts within funds, except for the General Fund which is at the departmental level; however, any revisions that alter the total expenditures of a fund or department in the case of the General Fund must be approved by the City Council.

2. BUDGETARY COMPARISON

The budget data reflected in the Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate designated and/or reserved funds rolling forward from the previous year as well as amend the distributions of operating funds already appropriated.

Under GASB No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The City adopts annual operating budgets for the general fund and all special revenue funds. The major special revenue funds are One Percent Sales Tax of 1984 Fund, Community Development Block Grant Fund, and Fire Protection Fund. Since accounting principles applied for the purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of the resulting basis and timing differences in the net change in fund balances for the year ended June 30, 2010 is presented as a note in Required Supplementary Information.

NOTE C - DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2010, the City of Kenner has cash (book balances) totaling \$9,204,446 as follows:

Governmental Funds:	
Petty cash	\$ 4,750
Demand deposits	4,572,412
Money market funds	3,070,784
Proprietary Funds:	
Enterprise Fund	
Petty cash	500
Demand deposits	398,646
Advance to manager	155,460
Internal Service Fund:	
Demand deposits	1,001,894
	<u>\$ 9,204,446</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City's deposit policy for custodial credit risk conforms to state law, as described in Note A. At June 30, 2010, the City's demand deposits and money market funds bank balances of \$10,688,402 were entirely secured by federal deposit insurance and pledged securities held by the City's agent in the City's name. The money market funds are invested in U.S. Treasury securities held by the City's agent in the City's name.

Investments

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City is not exposed to custodial credit risk at June 30, 2010 since the investments are held in the name of the City. The City's investment policy conforms to state law, as described in Note A, which has no provision for custodial credit risk.

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2010, the City had no investments in any one entity which exceeded 5% of total investments, except obligations of federally sponsored entities, which are implicitly guaranteed by the federal government.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2010, the City had the following investment in debt securities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater Than 10</u>
Obligations of Federally Sponsored Entities	<u>\$ 5,527,320</u>	<u>\$ 5,527,320</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The City invested only in obligations of federally sponsored entities in the amount of \$5,527,320, which are rated AAA by Standard & Poor's. The type of investments allowed by state law ensures that the City is not exposed to credit risk.

NOTE D - EQUITY IN POOLED CASH

A reconciliation of total equity in pooled cash is presented below.

	<u>General Pool</u>	<u>Paving Assessments Pool</u>	<u>Sewerage Assessments Pool</u>	<u>Total</u>
<u>Equity in Pooled Cash</u>				
Cash	<u>\$ 2,609,883</u>	<u>\$ 281,107</u>	<u>\$ 5,392</u>	<u>\$ 2,896,382</u>
Total Equity in Pooled Cash	<u>\$ 2,609,883</u>	<u>\$ 281,107</u>	<u>\$ 5,392</u>	<u>\$ 2,896,382</u>
<u>Equity in Pool</u>				
General	\$ 301,838	\$ 264,793	\$ 5,392	\$ 572,023
Fire Protection	30,288	-	-	30,288
Community Development	1,305,666	-	-	1,305,666
General Debt	625,709	16,314	-	642,023
General Capital Projects	49,561	-	-	49,561
Nonmajor Governmental	296,821	-	-	296,821
Total Equity in Pool	<u>\$ 2,609,883</u>	<u>\$ 281,107</u>	<u>\$ 5,392</u>	<u>\$ 2,896,382</u>

Daily operations may occasionally result in minor deficiencies in individual allocations of pooled cash which are resolved by temporary interfund loans.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE E - ALLOWANCE FOR DOUBTFUL ACCOUNTS

An allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances. The allowance for estimated uncollectibles at June 30, 2010, consists of the following amounts:

General Fund	<u>\$ 855,865</u>
Proprietary Funds:	
Department of Wastewater Operations	<u>\$ 56,755</u>

NOTE F - SALES TAX

A sales tax of 8.75% for the period of July 1, 2009 through June 30, 2010 was collected on purchases in the City of Kenner (food and drugs are taxed at a 6% rate, and hotel/motel rooms at a 9% rate). Of the 8.75% total, 4.0% is levied by the state, and 4.75% by Jefferson Parish, for itself and other local government subdivisions within the Parish. The following table for parish taxes lists the effective year of each authorized tax rate, the Parish-wide tax rate (which includes $\frac{1}{6}\%$ retained by the Parish), the rate collected for the benefit of the Jefferson Parish School Board, and the rate collected for the benefit of the City of Kenner.

Effective Date	Parish-Wide Rate	School Board Rate	City Rate
1954	1%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1966	1%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1980	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1981	$\frac{1}{2}\%$	-	$\frac{1}{3}\%$
1984	1%	-	1
1993	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1994	$\frac{1}{4}\%$	-	$\frac{1}{4}\%$
TOTAL	<u>$4\frac{3}{4}\%$</u>	<u>2%</u>	<u>$2\frac{7}{12}\%$</u>

The Jefferson Parish Sheriff's Office (a separate reporting entity) collects all parish taxes, except on motor vehicle sales, and retains 9.5 to 11 percent as a collection commission on the share going to local governments. The state collects parish taxes on motor vehicle sales and remits them back to the parish of registration.

The Sheriff prorates this motor vehicle tax back to the municipalities in proportion to the sales tax collected within each municipality. Taxes due on sales in a month must be remitted by the merchants to the Sheriff by the 20th of the following month. The Sheriff distributes these collections to the local governments approximately 30 days later.

NOTE G - AD VALOREM TAX

The ad valorem tax on real property is levied as of November 15th of each year. The tax becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission (usually December 1st). The tax bills are mailed by the City in mid November and are due upon receipt. The taxes become delinquent on January 1st in the year after levy. The taxes are levied on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10 percent of their fair market value and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation, debt service and capital improvements for the City. The number of mills levied for 2009, which are collected and reported as revenue for the fiscal year ended June 30, 2010 is as follows:

FUND	2009 MILLS
General Fund	2.08
Garbage Collection and Disposal Fund	1.61
Fire Department Fund	7.40
Department of Wastewater Operations Fund	1.14
Capital Projects for Road Bonds Fund	<u>5.90</u>
Total	<u>18.13</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE H - CAPITAL ASSETS

1. Capital asset activity for the fiscal year ended June 30, 2010 was as follows:

	<u>June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2010</u>
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 9,674,378	\$ -	\$ -	\$ -	\$ 9,674,378
Construction-in-progress	<u>16,323,170</u>	<u>5,179,490</u>	<u>-</u>	<u>(1,171,928)</u>	<u>20,330,732</u>
Total capital assets not being depreciated	<u>25,997,548</u>	<u>5,179,490</u>	<u>-</u>	<u>(1,171,928)</u>	<u>30,005,110</u>
Capital assets being depreciated:					
Buildings and building improvements	51,687,136	-	(162,512)	691,928	52,216,552
Improvements other than buildings	4,735,709	5,844	-	480,000	5,221,553
Street system	275,946,370	-	-	-	275,946,370
Drainage system	370,623,467	-	-	-	370,623,467
Furniture, Fixtures and Equipment	17,258,909	796,693	-	-	18,055,602
Vehicles	12,377,019	604,314	(17,553)	-	12,963,780
Bridges	<u>2,787,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,787,808</u>
Total capital assets being depreciated	<u>735,416,418</u>	<u>1,406,851</u>	<u>(180,065)</u>	<u>1,171,928</u>	<u>737,815,132</u>
Less accumulated depreciation for:					
Buildings and building improvements	28,621,831	942,363	(118,299)	-	29,445,895
Improvements other than buildings	811,052	230,496	-	-	1,041,548
Street system	156,896,247	7,298,719	-	-	164,194,966
Drainage system	273,750,664	8,305,812	-	-	282,056,476
Furniture, fixtures and equipment	10,868,194	1,093,619	-	-	11,961,812
Vehicles	9,727,825	347,453	(17,553)	-	10,057,725
Bridges	<u>546,693</u>	<u>81,029</u>	<u>-</u>	<u>-</u>	<u>627,722</u>
Total accumulated depreciation	<u>481,222,506</u>	<u>18,299,491</u>	<u>(135,852)</u>	<u>-</u>	<u>499,386,145</u>
Total capital assets being depreciated, net	<u>254,193,912</u>	<u>(16,892,640)</u>	<u>(44,213)</u>	<u>1,171,928</u>	<u>238,428,987</u>
Governmental activities capital assets, net	<u>\$280,191,460</u>	<u>\$ (11,713,150)</u>	<u>\$ (44,213)</u>	<u>\$ -</u>	<u>\$268,434,097</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE H - CAPITAL ASSETS (CONTINUED)

	<u>June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2010</u>
Business-Type Activities					
Capital assets not being depreciated:					
Land	\$ 3,798,726	\$ -	\$ -	\$ -	\$ 3,798,726
Construction in progress	<u>5,043,869</u>	<u>325,899</u>	<u>-</u>	<u>(547,784)</u>	<u>4,821,984</u>
Total capital assets not being depreciated	<u>8,842,595</u>	<u>325,899</u>	<u>-</u>	<u>(547,784)</u>	<u>8,620,710</u>
Capital assets being depreciated:					
Buildings and building improvements	101,313,995	-	-	-	101,313,995
Improvements other than buildings	1,702,498	52,035	-	-	1,754,533
Furniture, fixtures and equipment	16,767,474	20,448	-	547,784	17,335,706
Vehicles	<u>1,398,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,398,938</u>
Total capital assets being depreciated	<u>121,182,900</u>	<u>620,267</u>	<u>-</u>	<u>-</u>	<u>121,803,172</u>
Less accumulated depreciation for:					
Buildings and building Improvements	44,769,189	3,109,904	-	-	47,879,093
Improvements other than buildings	1,318,955	86,209	-	-	1,405,164
Furniture, fixtures and equipment	11,952,357	378,418	-	-	12,330,775
Vehicles	<u>1,337,569</u>	<u>6,460</u>	<u>-</u>	<u>-</u>	<u>1,344,029</u>
Total accumulated depreciation	<u>59,378,070</u>	<u>3,580,991</u>	<u>-</u>	<u>-</u>	<u>62,959,061</u>
Total capital assets being depreciated, net	<u>61,804,830</u>	<u>(2,960,724)</u>	<u>-</u>	<u>-</u>	<u>58,844,111</u>
Business-type activities capital assets, net	<u>\$ 70,647,425</u>	<u>\$ (2,634,825)</u>	<u>\$ -</u>	<u>\$ (547,784)</u>	<u>\$ 67,464,821</u>

2. Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 521,121
Public safety	806,113
Public works	15,961,143
Culture and recreation	1,008,379
Health and Welfare	<u>2,735</u>
Total depreciation expense - governmental activities	<u>\$ 18,299,491</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE H - CAPITAL ASSETS (CONTINUED)

Business-type activities:	
Wastewater Operations	\$2,291,608
Civic Center Operations	<u>1,289,381</u>
Total depreciation expense - business-type activities	<u>\$3,580,989</u>

3. Construction in progress for governmental activities is comprised of the following:

	Project/Contract Authorization June 30, 2010	Expended to June 30, 2010	Committed	Required Future Financing
General government	\$ 1,450,103	\$ 1,447,581	\$ 2,522	\$ 2,522
Public works	15,296,754	13,872,669	1,424,085	1,424,085
Public safety	814,328	787,361	26,967	26,967
Culture and recreation	<u>4,315,362</u>	<u>4,223,121</u>	<u>92,241</u>	<u>92,241</u>
Total	<u>\$ 21,876,547</u>	<u>\$ 20,330,732</u>	<u>\$ 1,545,815</u>	<u>\$ 1,545,815</u>

NOTE I - LONG-TERM DEBT

1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS

Long-term debt at June 30, 2010 includes the following serial bonds and certificates:

	Interest Rates	Final Maturity Date	Range of Annual Principal Payments		Amount Issued	Amount Outstanding
			From	To		
Sales Tax Bond, Series 2003	1.3 – 5.0%	6/01/2018	\$ 2,285,000	\$ 3,055,000	\$ 35,895,000	\$ 21,300,000
Sales Tax Bonds, Series 1994	2.45%	6/01/2016	620,000	740,000	11,427,803	4,140,000
Sales Tax Bonds, Series 1995A	2.45%	6/01/2016	75,000	90,000	1,462,875	505,000
Certificates of Indebtedness, Series 2001	3.55 – 4.10%	7/01/2011	175,000	200,000	<u>1,500,000</u>	<u>385,000</u>
Total Bonds and Certificates					<u>\$ 50,285,678</u>	<u>\$ 26,330,000</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - LONG-TERM DEBT (CONTINUED)

1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS (CONTINUED)

Additional information pertaining to the foregoing bonds and certificates is as follows:

a. Sales Tax Bonds

The Sales Tax Bonds, Series 2003 and the Sales Tax Bonds, Series 1994 and 1995A are all obligations of the City. These bonds are secured by and payable from the City's allocation of the proceeds of sales taxes collected pursuant to Louisiana Legislative Acts 188 of 1954 and 29 of 1966 collected and remitted by the Parish of Jefferson. At June 30, 2010, bonds outstanding were \$21,300,000, \$4,140,000 and \$505,000, respectively. The amount available in the Debt Service Funds was \$2,027,435.

The amounts outstanding for the Sales Tax Bonds, Series 1994 and 1995A represent the unpaid amounts drawn down as of June 30, 2010 through loans obtained from the Louisiana Department of Environmental Quality. These loans are secured by the Sales Tax Bonds, Series 1994 and 1995A.

The City has developed a Wastewater Compliance Plan as a result of an EPA Administrative Order to perform those tasks necessary for its three wastewater treatment plants to comply with the effluent limitations of their discharge permits. In July 1994, the City obtained approval for a loan in the amount of \$11,430,000 from the Louisiana Department of Environmental Quality (LDEQ), of which \$11,427,803 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. Interest payments and an administrative fee is payable semi-annually at a rate of 2.45% and .50%, respectively, based on the total amounts drawn on the loan. At June 30, 2010, the loan had an outstanding balance of \$4,140,000. Total interest and administrative fees paid during the year ended June 30, 2010 were \$116,620 and \$23,800, respectively.

Due to the shortage of funding, in April 1995 the City obtained approval for a second Louisiana Department of Environmental Quality loan in the amount of \$3,395,000, of which \$1,462,875 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. The characteristics of this second loan are similar to those noted on the first loan above. At June 30, 2010, the loan had an outstanding balance of \$505,000. Total interest and administrative fees paid during the year ended June 30, 2010 were \$14,210 and \$2,900, respectively.

The funding necessary to service these loans was obtained from the dedication of the 1954 (1/2 cent) and 1966 (1/2 cent) sales tax revenues.

b. Excess Revenue Bonds

Certificates of Indebtedness Series 2001 were issued for the purchase of land in the Laketown area. At June 30, 2010, bonds outstanding were \$200,000. The amount available in the Debt Service Funds was \$311,835.

2. FIREMEN'S PENSION MERGER PAYABLE

In March 1998, the required three-fourths vote of the active and inactive members approved the pension merger with the Firefighters Retirement System ("FRS"). Approval of the merger was received from the FRS and the Joint Retirement Committee. The City Council approved the merger in December 1998 and signed an agreement with SFRS on March 25, 1999 regarding the payment of the merger liability. The final merger liability as of March 27, 1999 was \$14,050,233, which represents 60% of the accrued liability for active employees, \$6,301,446, and 100% of the accrued liability for retired employees, \$7,748,787. The Fund transferred assets in the amount of \$11,130,143 to the FRS to pay the merger liability. The value of the transferred assets for purposes of the merger as discounted from the date of receipt to the merger date of March 27, 1999, at the system's actuarial valuation interest rate of 7% was \$11,089,495. The remaining liability of \$2,960,738 plus interest at the rate of 7% per annum was assumed by the City of Kenner to be paid over 30 years.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE I - LONG-TERM DEBT (CONTINUED)

2. FIREMEN'S PENSION MERGER PAYABLE (Continued)

At June 30, 2010, \$250,099 was available in the Firemen's Pension Merger Fund (Debt Service Fund). The City has split the liability to be amortized into two components as follows:

\$1,190,000 of the liability is payable monthly at a rate of 7%. The monthly payments including interest are \$7,917. At June 30, 2010, the merger payable for this component had a total outstanding balance of \$990,567.

\$1,770,738 of the liability is payable annually at a rate of 7%. The annual payments including interest are \$142,697. At June 30, 2010, the merger payable for this component had a total outstanding balance of \$1,474,862.

The funding necessary to service this merger payable is provided by the dedication of the fire insurance tax received from the State of Louisiana.

3. LOUISIANA COMMUNITY DEVELOPMENT AUTHORITY LOAN

In 2003, the City executed a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "LCDA") for the purpose of providing funding for acquisition, construction, and maintenance of roads within the City. The LCDA Revenue Bonds (Kenner Road Project) Series 2003 authorized a loan amount of \$22,000,000. Loan Proceeds of \$22,000,000 were received in April 2003. As of June 30, 2010, \$13,205,000 of such loans was outstanding and \$34,132 was available in Debt Service Funds.

4. LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY LOAN

In 2009, the City executed a loan agreement with the Louisiana Department of Environmental Quality (the "LDEQ") for the purpose of providing funding for the rehabilitation of the sewer system within the City. The LDEQ Taxable Sewer Bonds Series 2009 authorized a loan amount of \$22,000,000. Loan Proceeds of \$2,150,621 were received in during the fiscal year ended June 30, 2010. As of June 30, 2010, \$2,150,621 of such loans was outstanding. No principal repayment is required until the earliest of 1 year after the completion date of the project or 2 years after the closing date. Total interest and administrative fees paid during the year ended June 30, 2010 were \$2,440 and \$2,711, respectively.

5. GENERAL DEBT

a. Capital Lease Obligations

The City has capital lease obligations on various facilities and equipment. See Note O - Lease Commitments - General.

b. Compensated Absences

General

All employees, except police and fire employees, earn sick leave at the following rates:

Full time employees: 1 day/month not to exceed 12 days/year

Regular part time employees: 1/2 day/month not to exceed 6 days/year

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - LONG-TERM DEBT (CONTINUED)

4. GENERAL DEBT (CONTINUED)

b. Compensated Absences (Continued)

General (Continued)

Employees earn annual leave in varying amounts according to years of service as follows:

<u>Service (years)</u>	<u>Amount</u>
Full time employees:	
0 - 5	1 day/month
5 - 10	1 1/2 day/month
over 10	2 days/month
Regular part time employees:	
0 - 5	1/2 day/month
5 - 10	3/4 day/month
over 10	1 day/month

Employees are required to use their annual leave during the calendar year following the year in which it is earned. Annual leave not used by December 31 of the calendar year is determined for each employee. Half of this leave is lost and half is carried forward to be paid upon separation of service or may be used in lieu of sick leave once sick leave has been exhausted. This carryforward time is not available to be taken as annual leave in future periods. Annual leave is payable upon separation of service. Sick leave is accumulated without time limitation and is payable up to a maximum of 90 days upon retirement or death.

In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "*Accounting for Compensated Absences*", an additional liability is recorded for salary related payments associated with the future payment of compensated absences. Such salary related payments consist of the City's portion of Medicare tax withholding.

For governmental activities, compensated absences are generally liquidated by the general fund, community development fund, roads and bridges fund, street lighting fund, and fire department fund.

Fire Department

Firefighters receive 18 days of annual leave after one year of service. After 10 years of service employees receive one additional day of annual leave for each additional year of service to a maximum of 30 days per year. Vacation time not used by December 31 is lost.

Firefighters receive 90 days of sick leave when they join the Department. Any sick time taken is applied against this accumulation. At retirement, the employee is paid for any unused sick leave up to a maximum of 90 days. Employees receive 365 days of sick leave with medical determination.

Police Department

Police personnel earn annual leave in varying amounts according to years of service as follows:

<u>Years Service</u>	<u>Civil Service Amount</u>
0 - 1 Year	0 Days
1 - 10 Years	15 Days
10 - 20 Years	20 Days
Over 20 Years	25 Days

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE I - LONG-TERM DEBT (CONTINUED)

Police Department (Continued)

Non-civil service employees earn annual leave as previously detailed for general employees of the City.

These hours are accrued on January 1st, and are for use only in the calendar year. Hours not taken by December 31st are lost. If an employee terminates employment, they are paid for the annual leave they have remaining on the books.

Police personnel earn sick leave at the following rates:

Full time employees:	8 hours/month not to exceed 12 days (96 hours)/year
Regular part time employees:	1/2 day (4 hours)/month not to exceed 6 days (48 hours)/year

Upon retirement, employees are entitled to receive pay for accrued, unused sick leave days up to a maximum of 90 days.

5. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2010:

	<u>Balance</u> <u>6/30/2009</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Discount/</u> <u>(Premium)</u>	<u>Balance</u> <u>6/30/2010</u>	<u>Net of</u> <u>Unamortized</u> <u>Premium</u> <u>6/30/2010</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities							
Sales Tax							
Revenue Bonds	\$ 29,517,961	\$ -	\$ 2,980,000	\$ (104,376)	\$ 26,433,585	\$ 25,945,000	\$ 3,075,000
Certificates of							
Indebtedness	1,715,000	-	1,515,000	-	200,000	200,000	-
Note Payable	2,527,026	-	61,596	-	2,465,430	2,465,430	65,965
LCDA Series							
2003 Loan	14,740,108	-	1,390,000	(26,984)	13,323,124	13,205,000	1,440,000
LDEQ Series							
2009 Loan	-	2,150,621	-	-	2,150,621	2,150,621	-
Compensated							
Absences	<u>4,481,400</u>	<u>1,473,707</u>	<u>1,386,536</u>	<u>-</u>	<u>4,568,571</u>	<u>4,568,571</u>	<u>2,008,408</u>
Total							
Government							
Activities	<u>\$ 52,981,494</u>	<u>\$ 3,624,328</u>	<u>\$ 7,333,132</u>	<u>\$ (131,360)</u>	<u>\$ 49,141,331</u>	<u>\$ 48,534,622</u>	<u>\$ 6,589,373</u>

The annual requirements to maturity for sales tax bonds as of June 30, 2010 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 3,075,000	\$ 977,714
2012	3,165,000	884,646
2013	3,265,000	788,854
2014	3,365,000	686,286
2015	3,470,000	577,989
2016-2018	<u>9,605,000</u>	<u>830,829</u>
	25,945,000	<u>\$ 4,746,318</u>
Plus Bond Premium	<u>488,585</u>	
Net Debt Service Requirement	<u>\$ 26,433,585</u>	

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - LONG-TERM DEBT (CONTINUED)

5. CHANGES IN LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for certificates of indebtedness as of June 30, 2010 are as follows:

Year Ending June 30,	Principal	Interest
2011	\$ -	\$ 4,100
2012	200,000	4,100
	<u>\$ 200,000</u>	<u>\$ 8,200</u>

The annual requirements to maturity for the Firemen's Pension Merger Payable as of June 30, 2010 are as follows:

Year Ending June 30,	Principal	Interest
2011	\$ 65,965	\$ 171,738
2012	70,643	167,059
2013	75,653	162,049
2014	81,019	156,684
2015	86,765	150,938
2016-2020	535,340	653,173
2021-2025	754,115	434,398
2026-2029	795,930	131,163
	<u>\$ 2,465,430</u>	<u>\$ 2,027,204</u>

The annual requirements to maturity for the LCDA Series 2003 Loan as of June 30, 2010 are as follows:

Year Ending June 30,	Principal	Interest
2011	\$ 1,440,000	\$ 539,855
2012	1,490,000	483,480
2013	1,550,000	427,605
2014	1,610,000	367,155
2015	1,670,000	302,755
2016-2018	5,445,000	478,650
	13,205,000	<u>\$ 2,599,500</u>
Plus Bond Premium	118,124	
Net Debt Service Requirement	<u>\$ 13,323,124</u>	

The annual requirements to maturity for the LDEQ Taxable Sewer Bond Series 2009 as of June 30, 2010 are as follows:

Year Ending June 30,	Principal	Interest
2011	\$ -	\$ 20,431
2012	99,613	19,485
2013	100,493	18,530
2014	101,275	17,568
2015	102,057	16,598
2016-2020	522,503	68,178
2021-2025	543,521	42,766
2026-2030	565,418	16,324
2031	115,741	-
	<u>\$ 2,150,621</u>	<u>\$ 219,880</u>

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE I - LONG-TERM DEBT (CONTINUED)

6. COMPLIANCE

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

NOTE J - RESERVATIONS AND DESIGNATIONS OF FUND BALANCE

The nature and purpose of the reserves and designations as presented in the fund financial statements are as follows:

Reserved for Encumbrances

This reserve was established for outstanding purchase orders and other commitments for unperformed contracts for goods and services which the City intends to honor.

Reserved for Inventory

This reserve was established as an offset against the asset, inventory, because it does not constitute an available spendable resource of the General Fund.

Reserved for Prepaid Items

This reserve was established as an offset against the asset, prepaid items, because it does not constitute an available spendable resource of the General Fund.

Reserved for Restricted Expenditures

This reserve was created to restrict the use of all resources with externally imposed constraints on use by creditors, grantors, contributors, or laws and regulations.

Reserved for Debt Service

This reserve represents the amounts reserved for payment of principal and interest maturing in future years.

Designated for Subsequent Years' Expenditures

This designation represents the expenditures budgeted in 2010-2011, paid from funds remaining in 2009-2010.

Designated for Capital Additions and Improvements

The proceeds of various bond issues and the interest earned on the investment thereof are designated for capital projects in the various capital projects funds to the extent that such amount has not been reserved for encumbrances.

NOTE K - INTEREST COST

Interest expense incurred in the business-type activities during the year was as follows:

	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>
Interest expense	\$ _____ -	\$ _____ -

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE L - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of interfund transfers at June 30, 2010 are as follows:

	Transfer In:								
	General Fund	Community Development Block Grant	Fire Protection Fund	General Debt	General Capital Projects	Capital Projects Funded with Bond Proceeds	Internal Service Funds	Nonmajor Governmental	Total
Transfer Out:									
General Fund	\$ -	\$ 382,466	\$ 2,095,652	\$ 200,040	\$ 4,186,388	\$ -	\$ 131,676	\$ 211,087	\$ 7,207,309
Nonmajor Governmental	-	-	107,613	-	-	-	-	-	107,613
One Percent Sales Tax of 1984 Fund	6,781,639	-	797,908	-	-	-	-	2,501,675	10,081,222
Fire Protection Fund	215,225	-	-	-	-	-	-	-	215,225
General Debt	614,645	-	-	-	-	-	-	-	614,645
General Capital Project	1,538,836	-	-	608,541	-	117,975	-	-	2,265,352
Civic Center Operations	-	-	-	-	350,000	-	-	-	350,000
Total	<u>\$ 9,150,345</u>	<u>\$ 382,466</u>	<u>\$ 3,001,173</u>	<u>\$ 808,581</u>	<u>\$ 4,536,388</u>	<u>\$ 117,975</u>	<u>\$ 131,676</u>	<u>\$ 2,712,762</u>	<u>\$ 20,841,366</u>

Transfers are primarily used to move funds from:

General Fund - to the Garbage Collection & Disposal Fund for garbage collection and debris removal expenditures, to the Fire Protection Fund for communication expenditures, to the General Capital Projects the gaming revenues dedicated for capital projects, to the Department of Wastewater Operations Fund to cover revenue shortfalls and equipment purchases, to the General Debt Fund to cover debt service payments, and to the Internal Service Funds to cover the self-insurance premiums.

One Percent Sales Tax of 1984 Fund - to the General, Garbage Collection & Disposal, and Fire Protection Funds to reimburse losses from homestead exemption and to pay expenditures for the Roads & Bridges and Street Lighting Funds.

General Capital Projects - to the General Debt Fund the 25% of riverboat revenues dedicated to debt service, to the General Fund for unspent funds and to the Capital Projects Funded with Bond Proceeds Funds to transfer expenditures from one capital project fund to another.

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	One Percent Sales Tax of 1984 Fund	\$ 1,425,442
	Community Development Block Grant	865,297
	Fire Protection	1,049,068
	General Capital Projects	308,161
	Capital Projects Funded with Bond Proceeds	1,646,863
	General Debt Funds	614,998
	Nonmajor Governmental Funds	1,069,499
	Department of Wastewater Operations	3,318,227
	Internal Service Funds	148,729
	Civic Center Operations	1,753,459
One Percent Sales Tax of 1984 Fund	Nonmajor Governmental Funds	74,766
Fire Protection Fund	General Fund	575,822
	One Percent Sales Tax of 1984 Fund	104,388
	Nonmajor Fund	215,226
General Capital Projects	General Fund	8,806,016

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE L - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Due to/from other funds (Continued)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects Funded with Bond Proceeds	General Fund	752,261
Department of Wastewater Operations	General Fund	89,955
	General Capital Projects	206,483
Nonmajor Governmental Funds	General Fund	939,964
	One Percent Sales Tax of 1984 Fund	399,959
Internal Service Funds	General Fund	<u>287,049</u>
		<u>\$ 24,651,632</u>

The above due to/from other funds were short-term receivables or payables in the normal course of the City's operations.

NOTE M - TREASURE CHEST RIVERBOAT CASINO AGREEMENT

The City of Kenner and Treasure Chest Casino, L.L.C. entered into a lease of property in Laketown, Kenner on December 3, 1993 for Treasure Chest Casino, L.L.C.'s riverboat gaming operations. The term of the lease is divided into three phases, an Initial Term, a Primary Term, and at the Lessee's option, one or more Renewal Terms. The "Initial Term" of the lease began on the date of execution and continued until July 1, 1994. The "Primary Term" of the lease was for five years beginning on July 1, 1994, and the Lessee has the option to extend the term of this lease for six additional Renewal Terms of five years each. Lease payments to the City include a minimum annual rent ("Base Rent") determined by multiplying the actual number of passengers during the first three quarters of the prior fiscal year by \$2.50. In addition to the Base Rent, the Lessee shall pay to the City an amount equal to \$2.50 for each passenger in excess of the number of passengers used to determine the Base Rent for that particular year ("Per Capita Rent"). In addition to the Base Rent and Per Capita Rent, the Lessee pays the City the "Percentage Rent" in an amount equal to the greater of 1% of its net gaming proceeds and any admission fees in excess of \$10.00 per passenger or the "minimum percentage rent". The Minimum Percentage Rent equals the Percentage Rent for the first three quarters of the preceding base fiscal year. Such Percentage Rent shall be used to subsidize City projects such as City Recreational Facilities, City Playgrounds, Tourism Advertisement and Brochures, Convention Center/Hotel Shuttle, Trolley Transportation, City Museums, Alzheimer's Center Operations, City Sponsored Summer Camps, and City Senior Citizens Activities. Any funds remaining shall be dedicated to City capital projects.

The Kenner Police Department is entitled to 24% of all lease revenues received by the City. Additionally, the lessee agrees to pay to the Kenner Police Department the greater of \$400,000 or 1% of net gaming proceeds.

In September 1994, the riverboat casino began operations.

NOTE N - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To account for and finance its uninsured risks of loss, the City has established a Self-Insurance Fund (an internal service fund). Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$500,000 for each general liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; \$500,000 for each auto liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; \$325,000 for each worker's compensation claim, excluding police and fire, with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000; and \$400,000 for each police and fire workers compensation claim in with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000. The City purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Also, the Fund provides coverage for auto/physical damage which requires a \$1,000 deductible per department per occurrence. The remaining balance on the claim is paid by the Fund.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE N - RISK MANAGEMENT (CONTINUED)

All funds of the City with employees, except for the Department of Wastewater Operations and the Civic Center Operations Funds, participate in the program and make payments to the fund based on an actuarial valuation dated November 2003 adjusted by the actual performance of the programs using historical experience. The claims liability of \$3,681,894 (which includes claims incurred but not reported in the Fund at June 30, 2010) is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Governmental Accounting Standards Board Statement No. 30, "*Risk Financing Omnibus - An Amendment of GASB Statement No. 10*", requires that specific, incremental claim adjustment expenses and estimated recoveries be considered in calculating the claims liability.

Changes in the balances of claims liabilities during fiscal years 2008, 2009, and 2010 were as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2007 - 2008	3,718,580	(25,701)	(748,420)	2,944,459
2008 - 2009	2,944,459	1,232,582	(693,843)	3,483,198
2009 - 2010	3,483,198	1,054,294	(855,598)	3,681,894

The amount of estimated claims payable due within one year of these financial statements is \$1,448,943.

HEALTH INSURANCE

The City provides health and accident insurance to its employees through health maintenance organizations (HMO's) and commercial insurance carriers. The City has no additional liability other than the initial premiums.

NOTE O - COMMITMENTS AND CONTINGENCIES

LITIGATION

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury and property damage. The City Attorney and outside counsel have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", and "remote" contingencies as defined in GASB Codification C50. The City's "reasonably possible" loss contingencies have been estimated to be immaterial and have not been accrued in these financial statements. All material probable claims have been accrued as liabilities in the City's Self-Insurance Fund (see Note N for additional details) and General Fund.

FEDERALLY ASSISTED PROGRAMS

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with the Single Audit Act of 1984 and 1996 Amendments and also subject to further examination by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements.

EPA ADMINISTRATIVE ORDER

On November 10, 1990, the United States Environmental Protection Agency (EPA) issued the City an Administrative Order for sewerage effluent violations. Failure to comply with an EPA Administrative Order could result in monetary fines or an EPA administrative penalty. As a result, the city initiated a \$15 million sewer rehabilitation project. See Note I for additional information regarding the financing of the 1990 sewer rehabilitation project.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE O - COMMITMENTS AND CONTINGENCIES (CONTINUED)

EPA CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

On August 24, 2009, the Louisiana Department of Environmental Quality (LDEQ) issued the City a Consolidated Compliance Order & Notice of Potential Penalty for sewerage overflow violations which resulted in raw sewerage being discharged into waters of the State. As with the 1990 EPA Administrative Order discussed above, failure to comply with the provisions of the Order could subject the City to substantial administrative penalties or monetary fines.

The LDEQ Compliance Order mandates that the City take all steps necessary to achieve compliance with Water Quality Regulations including but not limited to avoiding overflows and complying with all effluent limitations by properly operating and maintaining the facility. Failure or refusal to comply could subject the City to civil penalties of \$50,000 for each day of continued violation or noncompliance.

Major renovations must be made to the City's sewer treatment and collection system to remedy the problems causing the LDEQ and EPA violations. The required renovations include the replacement or upgrading of lift stations, expansion and upgrading of the City's wastewater treatment plant capacity, repair and replacement of gravity sewer lines, and procuring generators to service the sewer system during emergencies.

The City's engineers estimate that the total costs of the required renovations will be \$54 million. On December 10, 2009, the City entered into an agreement for a \$22 million construction loan at .95% interest from the Clean Water State Revolving Fund Loan Program to partially fund the necessary upgrades and improvements. Approximately \$1.4 million of the loan has been disbursed to the City for its expenditures on surveys, preliminary design and project management costs. Additional funding of approximately \$4 million is available through an LRA grant and approximately \$2 million of existing Capital Projects funds have been budgeted for this project. See Note I for additional information regarding the financing of the 2009 sewer rehabilitation project.

CIVIC CENTER INSURANCE SETTLEMENT

As a result of damages sustained by Hurricane Katrina during the year ended June 30, 2006, the City incurred expenses needed to repair the Civic Center to its original condition during the years ended June 30, 2007 through June 30, 2008. The City submitted these expenditures as claims against its insurance policy on the Civic Center. As of June 30, 2009, there was a receivable relating to future insurance proceeds for \$4,247,644 relating to the necessary repairs on the Civic Center. The City's insurer disputed all of the claims for repairs, and the City filed suit against the insurer, United Fire Group, for the cost of repair and restoration of the Civic Center. As of December 27, 2010, the insurer has agreed to settle the City's claim for the sum of \$3,750,000, which should be paid by the end of January 2011. Due to the City not being able to receive the full amount accrued, there was a current year write-down of the insurance receivable which resulted in a one-time loss in the amount of \$497,644. This loss is included with the current year operations of the Civic Center on the financial statements.

AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES OF THE KENNER WASTEWATER COLLECTION AND TREATMENT SYSTEMS

In July 1995, the City entered into an agreement with Veolia Water North America Operating Services, LLC, (formerly Professional Services Group, Inc. (PSG) and US Filter Operating Services, Inc.) for the management, operation and maintenance of the Wastewater Collection and Treatment Systems. PSG offered employment to all personnel of Kenner who were currently assigned full-time to the Wastewater Department. In July 1999, the agreement was amended and restated. In accordance with the agreement dated July 1999, compensation from the City of Kenner consists of an annual fee, \$2,744,264, funding the Kenner Budget Pass-Through Fund, \$817,567, and payment of electrical invoices. The term of this agreement is for 20 years commencing on July 1, 1995 with the option for four, five-year renewal periods. The annual fee and Kenner Budget Pass-Through Fund will be adjusted annually either by negotiation or in accordance with the CPI Adjustment Formula as stipulated in the agreement.

CONSTRUCTION

Construction commitments are discussed in Note I.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE O - COMMITMENTS AND CONTINGENCIES (CONTINUED)

LEASE COMMITMENTS - GENERAL

Leases are accounted for in accordance with GASB Codification Section L20-Leases, which requires classification of leases as capital or operating leases. Governmental fund assets under capital leases are recorded in the government-wide financial statements.

Operating Leases

The City is committed under various leases for buildings and office equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2010 amounted to \$292,487. Future minimum lease payments for these leases are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amounts</u>
2011	\$ 178,852
2012	75,420
2013	<u>43,995</u>
Total minimum lease payments	<u>\$ 298,267</u>

NOTE P - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The funds are held in a trust for the exclusive benefit of participants and their beneficiaries.

NOTE Q - POSTEMPLOYMENT BENEFITS

PLAN DESCRIPTION

The City provides postemployment health care benefits to all retirees with 20 years or more of service, and life insurance benefits to eligible retirees under age 75. The City established a Group Insurance Plan, providing for payment of a portion of health care insurance premiums and life insurance premiums for eligible retired employees. The Group Insurance Plan is a single-employer defined benefit health care plan administered by the City which provides medical and life insurance to eligible retirees and their beneficiaries. The City Council has the authority to establish and amend plan benefit provisions. OPEB benefits are administered by City personnel. No separate financial statements are issued. At June 30, 2010, 655 retirees were receiving postemployment benefits.

CONTRIBUTION RATES

Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The City offers two health plans for both active and retired employees: Blue Cross Blue Shield Plan 59 and Blue Cross Blue Shield Plan 57. Retired employees who have Medicare coverage also have access to two plans: People's Health and Humana. Depending upon the plan selected, for the year ended June 30, 2010, the retiree portion of the monthly premium ranged from \$0 to \$45, and the City's portion ranged from \$384 to \$448 per month for retiree-only coverage without Medicare, and \$40 to \$75 for the retiree portion, and \$100 per month for the City's portion for retiree-only coverage with Medicare.

The employer pays the blended rate for the retiree portion of the coverage (not dependents) for retirees until Medicare eligibility. After Medicare eligibility, the employer pays for the first \$100 per month of the retiree portion of the premium. For employees who were employed before February 1, 2000, the employer pays \$82.35 of the dependent coverage for active employees and retirees before age 65.

The City also provides eligible retirees Basic Term Life and Basic Accidental Death and Dismemberment coverage, which is underwritten by the Hartford Life Insurance Company. The blended rate for active employees and retirees is \$0.28 per \$1,000 of insurance.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE Q - POSTEMPLOYMENT BENEFITS (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

The employer pays for life insurance after retirement but based on the blended rate. Since GASB 45 requires the use of "unblended" rates, the 94GAR mortality table described below was used to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. The amount of life insurance is reduced by 35% of the original amount at age 70 and by 50% of the original amount at age 75. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

FUNDING POLICY

Prior to July 1, 2008, the City of Kenner recognized the cost of providing postemployment medical and life benefits (the City of Kenner's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis. For the year ended June 30, 2010, the City of Kenner's portion of health care funding cost for retired employees totaled \$377,604, and the life insurance totaled \$6,397.

Effective with the fiscal year beginning July 1, 2008, the City of Kenner implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB 45) prospectively.

ANNUAL OPEB COST

The City of Kenner's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities. A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 45) has been used for the postemployment benefits. The total ARC for the fiscal year beginning July 1, 2009 was \$2,076,666 for medical, and \$89,071 for life, as set forth below:

	Medical	Life
Normal Cost	\$ 911,629	\$ 43,333
UAL amortized amount	79,872	3,426
Interest	1,085,165	42,312
Annual required contribution (ARC)	\$ 2,076,666	\$ 89,071

The table below shows the City of Kenner's Net Other Postemployment Benefit (OPEB) Obligation for fiscal year ended June 30, 2010:

	Medical	Life
Beginning net OPEB obligation at July 1, 2009	\$ 1,570,518	\$ 79,991
Annual required contribution	2,076,666	89,071
Interest on net OPEB obligation	62,821	3,200
ARC adjustment	(90,823)	(4,626)
OPEB cost	2,048,664	87,645
Contributions made (retiree premiums paid in 2010)	(377,604)	(6,397)
Change in net OPEB obligation	1,671,060	81,248
Ending net OPEB obligation at June 30, 2010	\$ 3,241,578	\$ 161,239

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE Q - POSTEMPLOYMENT BENEFITS (CONTINUED)

ANNUAL OPEB COST (CONTINUED)

The following table shows the City of Kenner's annual OPEB cost, percentage of the cost contributed, and the net unfunded OPEB liability:

Other Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Medical	June 30, 2010	2,048,664	18.43%	3,241,578
Life	June 30, 2010	87,645	7.30%	161,239

FUNDED STATUS AND FUNDING PROGRESS

During the fiscal year ended June 30, 2010, the City of Kenner made no contributions to its other postemployment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2008, the first and most recent actuarial valuation (adjusted for interest), the Actuarial Accrued Liability (AAL) was \$21,582,366 (medical) and \$852,763 (life), which is defined as that portion, as determined by a particular actuarial cost method (the City of Kenner uses the Projected Unit Credit Cost Method), of the actuarial present value of other postemployment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded during fiscal year 2010, the entire actuarial accrued liability of \$21,582,366 (medical) and \$852,763 (life) was unfunded.

		Medical	Life	Total
Actuarial accrued liability (AAL)	\$	21,582,366	852,763	22,435,139
Actuarial value of plan assets		-	-	-
Unfunded actuarial accrued liability (UAAL)	\$	21,582,366	852,763	22,435,139
Funded ratio (actuarial value of plan assets/AAL)		0%	0%	0%
Covered Payroll (annual payroll of active plan members)				27,215,135
UAAL as a percentage of covered payroll				82.44%

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City of Kenner and its employee plan members) at the time of the valuation and on the historical pattern of sharing costs between the City of Kenner and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City of Kenner and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE Q - POSTEMPLOYMENT BENEFITS (CONTINUED)

ACTUARIAL COST METHOD

The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

TURNOVER RATE

An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	20.0%
26 - 40	12.0%
41 - 54	8.0%
55+	6.0%

In addition, based on past experience it was assumed that 32% of retirees decline health coverage at retirement.

INVESTMENT RETURN ASSUMPTION (DISCOUNT RATE)

The investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

HEALTH CARE COST TREND RATE

The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2009 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Zero trend has been assumed for valuing life insurance.

MORTALITY RATE

The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

METHOD OF DETERMINING VALUE OF BENEFITS

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility; therefore, the "unblended" rates were estimated for retirees before Medicare as 130% of the blended rate, as required by GASB 45 for valuation purposes.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE R - PENSION PLANS

GENERAL

The City reporting entity participates in three defined benefit pension plans. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

Substantially all of the City's full-time, permanent employees, other than classified employees in the Kenner Fire Department and Kenner Police Department are participants in the Municipal Employees' Retirement System, State of Louisiana (the Municipal Plan), a cost-sharing, multiple-employer defined benefit public employee retirement system.

All full-time classified employees of the Police Department of the City are participants in the Municipal Police Employees' Retirement System (the Police Plan), a cost-sharing, multiple-employer defined benefit plan.

All full-time classified employees of the Fire Department of the City are participants in the Firefighters' Retirement System ("FRS"), a cost-sharing, multiple-employer defined benefit plan.

PLAN DESCRIPTIONS

Municipal Employees' Retirement System, State of Louisiana (The Municipal Plan)

Employees of the City participate in Plan A of the Municipal Plan, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 356 of the 1954 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1866, specifically, and other general laws of the State of Louisiana. Under the Municipal Plan, employees with 10 years of service may retire at age 60 and employees with 25 years of service may retire regardless of age. In addition, employees may also retire with 20 years of service regardless of age; however, the benefits payable to such employees must be actuarially reduced. The monthly amount of the retirement allowance is equal to 3 percent of the member's final compensation multiplied by his years of creditable service. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the surviving spouse.

The Municipal Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2010. The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Plan members are required to contribute 9.25% of their earnable compensation, and the City is required to contribute at an actuarially determined rate. The current rate is 13.50% of earnable compensation. At July 1, 2010, the employer's contribution rate increases to 14.25%.

Municipal Police Employees' Retirement System (The Police Plan)

Members of the Police Plan are eligible for normal retirement after they have been a member of the plan for one year, if they have 25 years of service at any age or they have 20 years service and are age 50 or have 12 years service and are age 55. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211 - 11:2233. The monthly retirement benefit is equal to $3\frac{1}{3}$ percent of the member's average monthly earnings during the highest consecutive 36 months, multiplied by years of creditable service, not to exceed 100 percent of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions, are payable to the surviving spouse and minor children. The Police Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2010. The Municipal Police Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Police Employees' Retirement System of Louisiana, P.O. Box 94095, Capital Station, Baton Rouge, Louisiana 70809.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE R - PENSION PLANS (CONTINUED)

Municipal Police Employees' Retirement System (The Police Plan) (Continued)

Plan members are required to contribute 7.5% of their annual-covered salary, and the City is required to contribute at an actuarially determined rate. The current rate is 11% of covered payroll. Effective July 1, 2010, the employer's contribution rate increased to 25.00%.

The Firefighters' Retirement System (FRS)

Under FRS, employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3 $\frac{1}{3}$ % of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain circumstances, are payable to the surviving spouse and minor children. Act 434 of the 1979 Louisiana Legislative Session established the Plan. The System is governed by Louisiana Revised Statutes 11:2251 through 11:2269, specifically, and other general laws of the State of Louisiana.

The Firefighters' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. It may be obtained from the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809.

Plan members are required to contribute 8.0% of their earnable compensation, and the City is required to contribute at an actuarially determined rate. The current rate is 14.00% of annual-covered payroll. Effective July 1, 2010, the employer's contribution rate increased to 21.50%.

COVERED PAYROLL

The total payroll and the covered payroll, for each of the plans for the year ended June 30, 2010 were as follows:

	<u>Total</u>	<u>Covered</u>
Municipal Plan	\$ 13,312,487	\$ 13,079,334
Police Plan	9,553,224	7,735,643
Firefighters Retirement System	5,155,460	4,380,865

CURRENT MEMBERSHIP

Total membership data for the Municipal Plan, Police Plan and Firefighters' Retirement System is available in the separately issued reports, but is not available by individual employer.

CONTRIBUTIONS REQUIRED AND MADE

Member and employer contributions are established by state statute for all plans.

Contributions required and made for the Municipal Plan, a cost-sharing multiple-employer plan were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Actuarial Required Contribution</u>	<u>% Contributed</u>
2008	1,296,346	126.42%
2009	1,344,590	132.06%
2010	1,743,051	101.30%

The employer contribution from the City differs from the actuarially required contribution due to the state law that requires the employer contribution rate be calculated and set two years prior to the year effective.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE R - PENSION PLANS (CONTINUED)

CONTRIBUTIONS REQUIRED AND MADE (CONTINUED)

Contributions required and made for the Police Plan, a cost-sharing multiple-employer plan were as follows:

Fiscal Year Ended <u>June 30,</u>	Actuarial Required <u>Contribution</u>	% <u>Contributed</u>
2008	707,417	153.83%
2009	844,374	86.85%
2010	1,803,179	47.19%

The employer contribution from the City differs from the actuarially required contribution due to the state law that requires the employer contribution rate be calculated and set two years prior to the year effective.

Contributions required and made for the Firefighters' Retirement System, a cost-sharing multiple-employer plan were as follows:

Fiscal Year Ended <u>June 30,</u>	Actuarial Required <u>Contribution</u>	% <u>Contributed</u>
2008	617,700	100%
2009	558,465	100%
2010	632,290	97%

NOTE S - DEFICIT FUND BALANCES/ NET ASSETS

At June 30, 2010, the Capital Projects Funded with Bond Proceeds Fund had a deficit in its fund balance of \$541,675. This deficit will be eliminated by completing arbitrage calculations which will rebate interest to go towards completing the projects included in this fund.

At June 30, 2010, the Self-Insurance Fund had a deficit in its net assets of \$1,822,705. This deficit will be eliminated by the City making additional contributions into the fund during future years.

At June 30, 2010, the Wastewater Fund had a deficit in its unrestricted net assets of \$1,781,757. This deficit is expected to be reduced by future operations.

NOTE T - NEW PRONOUNCEMENTS

In March 2009, the Governmental Accounting Standards Board (GASB) approved Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (Statement). Certain of the significant changes in the Statement will require the following:

Fund balances for each of the City's governmental funds (General Fund, special revenue funds, capital projects funds, and debt service funds) will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance*—amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.
- *Restricted fund balance*—amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE T – NEW PRONOUNCEMENTS (CONTINUED)

- *Committed fund balance*—amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority.
- *Assigned fund balance*—amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.
- *Unassigned fund balance*—amounts that are available for any purpose; these amounts can be reported only in the City's General Fund.

The Statement also establishes several new presentation and disclosure requirements, including requirements related to stabilization arrangements

In addition, the Statement clarifies the definitions of the various types of governmental funds. Interpretations of certain terms within the new definition of special revenue funds may affect which activities the City can report in special revenue funds.

The provisions of GASBS No. 54 must be implemented by the City no later than the fiscal year beginning July 1, 2010. Implementation will require the City to restate existing fund balances for the governmental funds.

NOTE U – SUBSEQUENT EVENTS

On November 4, 2010, the City adopted Ordinance No. 10,170 to repeal and replace Ordinance No. 6636 which defined sewerage user charges or rates and to revise the volume rate user charges for all sewerage user accounts. The City increased user charges to pay for the Administrations Sanitary Sewer System Overflow Corrective Action Plan, Sewer Capital Improvement Program as mandated by the Louisiana Department of Environmental Quality, as discussed in footnote O.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

Budgets for the General, Special Revenue, Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes	\$ 24,065,374	\$ -	\$ 24,065,374	\$ 26,554,344	\$ 24,237,638	\$ (172,264)
Licenses and permits	4,402,801	-	4,402,801	4,065,678	4,065,678	337,123
Intergovernmental	2,137,415	(784,383)	1,353,032	1,381,268	1,381,268	(28,236)
Charges for services	1,416,830	(490,692)	926,138	873,179	918,179	7,959
Fines and forfeitures	2,124,594	-	2,124,594	1,896,650	1,896,650	227,944
Interest on invested funds	8,809	-	8,809	134,720	134,720	(125,911)
Miscellaneous	923,246	(15,527)	907,719	344,936	628,206	279,513
Total revenues	35,079,069	(1,290,602)	33,788,467	35,250,775	33,262,339	526,128
EXPENDITURES						
General government	9,966,508	(424,232)	9,542,276	10,279,854	9,471,482	(70,794)
Public safety	17,637,407	(740,694)	16,896,713	17,118,860	16,862,496	(34,217)
Public works	3,279,744	(3,714)	3,276,030	3,854,992	3,353,160	77,130
Health and welfare	684,543	(945)	683,598	687,690	680,542	(3,056)
Culture and recreation	5,001,376	(5,272)	4,996,104	5,134,712	4,967,635	(28,469)
Transit and urban development	410,001	(208,511)	201,490	392,192	143,556	(57,934)
Total expenditures	36,979,579	(1,383,368)	35,596,211	37,468,300	35,478,871	(117,340)
Excess (deficiency) of revenues over (under) expenditures	(1,900,510)	92,766	(1,807,744)	(2,217,525)	(2,216,532)	408,788
OTHER FINANCING SOURCES (USES)						
Operating transfers in	9,150,345	-	9,150,345	8,983,574	9,226,679	(76,334)
Operating transfers out	(7,207,309)	-	(7,207,309)	(6,766,049)	(7,010,147)	(197,162)
Total other financing sources (uses)	1,943,036	-	1,943,036	2,217,525	2,216,532	(273,496)
Net change in fund balance	42,526	92,766	135,292	-	-	135,292
Fund balance - beginning of year	8,835,178	-	8,835,178	8,835,178	8,835,178	-
Fund balance - end of year	\$ 8,877,704	\$ 92,766	\$ 8,970,470	\$ 8,835,178	\$ 8,835,178	\$ 135,292

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ONE PERCENT SALES TAX OF 1984 FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes:						
Sales tax	\$ 10,081,222	\$ -	\$ 10,081,222	\$ 12,399,698	\$ 10,699,698	\$ (618,476)
Total revenues	10,081,222	-	10,081,222	12,399,698	10,699,698	(618,476)
EXPENDITURES						
Personnel	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	10,081,222	-	10,081,222	12,399,698	10,699,698	(618,476)
OTHER FINANCING SOURCES (USES)						
Transfers out	(10,081,222)	-	(10,081,222)	(12,399,698)	(10,699,698)	618,476
Net change in fund balance	-	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Intergovernmental	\$ 1,237,747	\$ -	\$ 1,237,747	\$ 366,158	\$ 1,360,967	\$ (123,220)
Interest	49	-	49	-	-	49
Miscellaneous	-	-	-	-	-	-
Total revenues	1,237,796	-	1,237,796	366,158	1,360,967	(123,171)
EXPENDITURES						
Public works:						
Capital Outlay	\$ 156,679	\$ -	\$ 156,679	\$ -	\$ 161,004	\$ 4,325
Total public works	156,679	-	156,679	-	161,004	4,325
Culture and recreation:						
Capital Outlay	15,019	-	15,019	-	123,272	108,253
Total culture and recreation	15,019	-	15,019	-	123,272	108,253
Urban development:						
Personnel	533,298	-	467,154	621,311	623,159	156,005
Supplies	6,339	(577)	1,559	12,709	3,308	1,749
Service charges	85,549	(1,043)	(13,132)	166,686	166,080	179,212
Capital Outlay	823,378	(2,168)	723,621	16,500	779,674	56,053
Total urban development	1,448,564	(3,788)	1,179,202	817,206	1,572,221	393,019
Total Expenditures	1,620,262	(3,788)	1,350,900	817,206	1,856,497	505,597
Excess (deficiency) of revenues over (under) expenditures	(382,466)	3,788	(113,104)	(451,048)	(495,530)	382,426

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2010
(CONTINUED)

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
OTHER FINANCING SOURCES (USES)						
Transfers in	382,466	-	382,466	326,098	384,080	(1,614)
Total other financing sources (uses)	382,466	-	382,466	326,098	384,080	(1,614)
Net change in fund balance	-	3,788	3,788	(124,950)	(111,450)	380,812
Fund balance - beginning of year	501,941	-	501,941	501,941	501,941	-
Fund balance - end of year	\$ 501,941	\$ 3,788	\$ 505,729	\$ 376,991	\$ 390,491	\$ 380,812

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
	\$ 3,390,274	\$ -	\$ 3,390,274	\$ 3,494,489	\$ 3,494,489	\$ (104,215)
	471,119	-	471,119	674,582	524,582	(53,463)
	-	-	-	-	-	-
Intergovernmental	690	-	690	700	700	(10)
Charges for services:	(183)	-	(183)	17,687	17,687	(17,870)
Interest	456,632	-	456,632	425,019	425,019	31,613
Miscellaneous						
Total revenues	4,318,532	-	4,318,532	4,612,477	4,462,477	(143,945)

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2010
(CONTINUED)

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Public safety:						
Personnel	6,290,904	-	6,290,904	6,231,692	6,384,108	93,204
Supplies	78,076	(16,225)	61,851	102,200	60,393	(1,458)
Service charges	728,885	(21,482)	707,403	657,605	655,382	(52,021)
Capital outlay	6,614	-	6,614	-	6,614	-
Total expenditures	7,104,479	(37,707)	7,066,772	6,991,497	7,106,497	39,725
Excess (deficiency) of revenues over (under) expenditures	(2,785,947)	37,707	(2,748,240)	(2,379,020)	(2,644,020)	(104,220)
OTHER FINANCING SOURCES						
Transfers out	(215,225)	-	(215,225)	-	-	(215,225)
Transfers in	3,001,173	-	3,001,173	2,379,021	2,644,021	357,152
Net change in fund balance	1	37,707	37,708	1	1	37,707
Fund balance - beginning of year	17,990	-	17,990	17,990	17,990	-
Fund balance - end of year	\$ 17,991	\$ 37,707	\$ 55,698	\$ 17,991	\$ 17,991	\$ 37,707

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
NOTE TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2010

NOTE A - BUDGET-TO-ACTUAL RECONCILIATION

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	General Fund	Community Development Block Grant Fund	Fire Protection Fund
Net change in fund balances (budgetary basis)	\$ (42,526)	\$ 3,788	\$ 37,708
Basis differences:			
To adjust for encumbrances	81,702	(3,788)	(37,707)
Entity differences:			
To adjust for revenues not budgeted	<u>(174,468)</u>	<u>-</u>	<u>-</u>
Net change in fund balances (GAAP basis)	\$ <u><u>(135,292)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1</u></u>

CITY OF KENNER, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR OTHER POSTEMPLOYMENT BENEFITS PLAN
JUNE 30, 2010

<u>Actuarial Valuation Date</u>	<u>Actuarial Value Of of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL As A Percentage of Covered Payroll</u>
June 30, 2009	\$ -	\$ 20,742,538	\$ 20,742,538	0.00 %	\$ 27,432,498	75.61 %
June 30, 2010	\$ -	\$ 22,435,139	\$ 22,435,139	0.00 %	\$ 27,215,135	82.44 %

OTHER SUPPLEMENTARY INFORMATION

**CITY OF KENNER, LOUISIANA
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2010**

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenues (other than special assessments, expendable trusts, or revenues for major capital projects) that are legally restricted to expenditures for specific purposes.

GARBAGE COLLECTION AND DISPOSAL FUND

The Garbage Collection and Disposal Fund accounts for the proceeds of ad valorem taxes which are specifically dedicated to solid waste collection throughout the City in residential and some commercial areas.

ROADS AND BRIDGES AND STREET LIGHTING FUNDS

The Roads and Bridges and Street Lighting Funds account for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by each of these funds.

DEBT SERVICE FUNDS

The Debt Service Funds are used to accumulate monies for the payment of principal, interest, and fiscal charges on the City of Kenner's general obligation and special tax bonds.

AD VALOREM TAX BOND FUND

The Ad Valorem Tax Bond Fund accounts for the property tax levies needed to comply with the interest and principal redemption requirements for the loan agreement for the LCDA loan.

FIREMEN'S PENSION MERGER FUND

The Firemen's Pension Merger Fund accounts for the funding needed to comply with the interest and principal redemption requirements for the loan payable to the Statewide Firefighters Retirement System.

CITY OF KENNER, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	GARBAGE COLLECTION AND DISPOSAL	ROADS AND BRIDGES	STREET LIGHTING	TOTAL
ASSETS				
Cash	\$ -	\$ 158	\$ -	\$ 158
Equity in pooled cash	-	-	6,201	6,201
Investments	-	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	877,514			877,514
Intergovernmental	151,547	-	-	151,547
Interest	-	-	-	-
Other	-	-	38	38
Due from other funds	136,485	416,207	158,320	711,012
Prepaid items	-	-	-	-
Total assets	\$ 1,165,546	\$ 416,365	\$ 164,559	\$ 1,746,470
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 325,095	\$ 6,286	\$ 63,908	\$ 395,289
Contracts payable	-	-	-	-
Accrued liabilities	-	42,338	9,494	51,832
Due to other funds	720,677	348,822	74,766	1,144,265
Deferred revenues	119,774	814	1,650	122,238
Total liabilities	1,165,546	398,260	149,818	1,713,624
Fund balances:				
Reserved for:				
Encumbrances	-	542	-	542
Debt service	-	-	-	-
Unreserved, undesignated	-	17,563	14,741	32,304
Total fund balances	-	18,105	14,741	32,846
Total liabilities and fund balances	\$ 1,165,546	\$ 416,365	\$ 164,559	\$ 1,746,470

DEBT SERVICE			TOTAL
AD VALOREM	FIREMEN'S		NONMAJOR
TAX BONDS	PENSION MERGER	TOTAL	GOVERNMENTAL
	FUND		FUNDS
\$ 8,274	\$ -	\$ 8,274	\$ 8,432
40,521	250,099	290,620	296,821
-	1	1	1
		-	877,514
-	-	-	151,547
-	-	-	-
-	-	-	38
17,518	611,392	628,910	1,339,922
-	-	-	-
<u>\$ 66,313</u>	<u>\$ 861,492</u>	<u>\$ 927,805</u>	<u>\$ 2,674,275</u>
\$ -	\$ -	\$ -	\$ 395,289
-	-	-	-
-	-	-	51,832
-	215,226	215,226	1,359,491
17,518	-	17,518	139,756
<u>17,518</u>	<u>215,226</u>	<u>232,744</u>	<u>1,946,368</u>
-	-	-	542
48,795	646,266	695,061	695,061
-	-	-	32,304
<u>48,795</u>	<u>646,266</u>	<u>695,061</u>	<u>727,907</u>
<u>\$ 66,313</u>	<u>\$ 861,492</u>	<u>\$ 927,805</u>	<u>\$ 2,674,275</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>GARBAGE COLLECTION AND DISPOSAL</u>	<u>ROADS AND BRIDGES</u>	<u>STREET LIGHTING</u>	<u>TOTAL</u>
REVENUES				
Taxes	\$ 737,519	\$ 718,643	\$ 7	\$ 1,456,169
Intergovernmental	4,090	-	-	4,090
Charges for services	2,990,964	-	-	2,990,964
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>3,732,573</u>	<u>718,643</u>	<u>7</u>	<u>4,451,223</u>
EXPENDITURES				
Current:				
Public works	4,117,237	1,728,645	1,311,558	7,157,440
Culture and recreation	-	-	-	-
Transit and urban development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>4,117,237</u>	<u>1,728,645</u>	<u>1,311,558</u>	<u>7,157,440</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(384,664)</u>	<u>(1,010,002)</u>	<u>(1,311,551)</u>	<u>(2,706,217)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	384,664	1,016,547	1,311,551	2,712,762
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>384,664</u>	<u>1,016,547</u>	<u>1,311,551</u>	<u>2,712,762</u>
Net change in fund balances	-	6,545	-	6,545
Fund balances - beginning of year	-	11,560	14,741	26,301
Fund balances - end of year	<u>\$ -</u>	<u>\$ 18,105</u>	<u>\$ 14,741</u>	<u>\$ 32,846</u>

DEBT SERVICE FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
AD VALOREM TAX BONDS	FIREMEN'S PENSION MERGER FUND	TOTAL	
1,983,860	\$ 267,122	\$ 2,250,982	\$ 3,707,151
-	-	-	4,090
-	-	-	2,990,964
22	-	22	22
-	-	-	-
1,983,882	267,122	2,251,004	6,702,227
-	-	-	7,157,440
-	-	-	-
-	-	-	-
1,390,000	61,595	1,451,595	1,451,595
593,833	176,107	769,940	769,940
1,983,833	237,702	2,221,535	9,378,975
49	29,420	29,469	(2,676,748)
-	-	-	2,712,762
-	(107,613)	(107,613)	(107,613)
-	(107,613)	(107,613)	2,605,149
49	(78,193)	(78,144)	(71,599)
48,746	724,459	773,205	799,506
\$ 48,795	\$ 646,266	\$ 695,061	\$ 727,907

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
TAXES						
Ad valorem tax	\$ 952,654	\$ -	\$ 952,654	\$ 982,235	\$ 982,235	\$ (29,581)
Sales tax	14,841,624	-	14,841,624	16,540,506	14,753,800	87,824
Beer tax	77,085	-	77,085	81,832	81,832	(4,747)
Parking tax	1,393,653	-	1,393,653	1,393,653	1,393,653	-
Franchises						
Electricity service	1,405,145	-	1,405,145	1,843,012	1,363,012	42,133
Gas service	204,168	-	204,168	216,811	196,811	7,357
Off-track wagering	114,267	-	114,267	156,906	156,906	(42,639)
Hotel/motel tax	278,425	-	278,425	334,035	334,035	(55,610)
Telephone	174,880	-	174,880	237,806	207,806	(32,926)
Riverboat	4,623,473	-	4,623,473	4,767,548	4,767,548	(144,075)
Total taxes	24,065,374	-	24,065,374	26,554,344	24,237,638	(172,264)
LICENSES AND PERMITS						
Business:						
Occupational	2,211,967	-	2,211,967	2,070,602	2,070,602	141,365
Alcoholic beverage	70,448	-	70,448	87,897	87,897	(17,449)
Chain store	57,943	-	57,943	65,751	65,751	(7,808)
Plumbing	43,590	-	43,590	38,644	38,644	4,946
Electrical	22,840	-	22,840	28,916	28,916	(6,076)
Taxi cab	30,708	-	30,708	31,487	31,487	(779)
Air conditioning	6,950	-	6,950	20,519	20,519	(13,569)
Bingo	150	-	150	360	360	(210)
Animal control	-	-	-	540	540	(540)
Total business	2,444,596	-	2,444,596	2,344,716	2,344,716	99,880
Non-business:						
Building	343,277	-	343,277	152,201	152,201	191,076
Garage sales	2,660	-	2,660	2,819	2,819	(159)
Brake tags	1,612,268	-	1,612,268	1,565,942	1,565,942	46,326
Total non-business	1,958,205	-	1,958,205	1,720,962	1,720,962	237,243
Total licenses and permits	4,402,801	-	4,402,801	4,065,678	4,065,678	337,123
INTERGOVERNMENTAL						
Federal Grants	758,057	(740,553)	17,504	-	-	17,504
From state:						
Tobacco tax	-	-	-	-	-	-
Parish transportation fund	226,602	-	226,602	185,741	185,741	40,861
Parish road fund	109,229	-	109,229	190,000	190,000	(80,771)
Video poker	751,980	-	751,980	752,527	752,527	(547)
Other state grants	43,830	(43,830)	-	-	-	-
From other local government subdivisions:						
Jefferson Council on Aging	36,717	-	36,717	42,000	42,000	(5,283)
Jefferson Parish	211,000	-	211,000	211,000	211,000	-
Total intergovernmental	\$ 2,137,415	\$ (784,383)	\$ 1,353,032	\$ 1,381,268	\$ 1,381,268	\$ (28,236)

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
CHARGES FOR SERVICES						
Zoning fees	\$ 7,556	\$ -	\$ 7,556	\$ 12,700	\$ 12,700	\$ (5,144)
Inspection fees						
Electrical	61,574	-	61,574	80,000	80,000	(18,426)
Plumbing	48,362	-	48,362	45,000	45,000	3,362
Air conditioning, heating, and other	47,459	-	47,459	44,000	44,000	3,459
Maps and document sales	2,363	-	2,363	1,500	1,500	863
Tax research fees	18,901	-	18,901	18,436	18,436	465
Police reports	35,475	-	35,475	37,000	37,000	(1,525)
Weed cutting fees	167,954	-	167,954	182,000	182,000	(14,046)
Recreation department						
Participation fees	165,761	4,394	170,155	150,043	195,043	(24,888)
Admission fees	115,886	920	116,806	135,000	135,000	(18,194)
Identification and other fees	188,529	-	188,529	106,500	106,500	82,029
Community service fees	-	-	-	-	-	-
Administrative charges	557,010	(496,006)	61,004	61,000	61,000	4
Total charges for services	1,416,830	(490,692)	926,138	873,179	918,179	7,959
FINES AND FORFEITURES						
Fines	1,814,832	-	1,814,832	1,518,712	1,518,712	296,120
Forfeitures	248,822	-	248,822	298,938	298,938	(50,116)
DWI fines	2,126	-	2,126	2,000	2,000	126
Reinstatement fees	58,814	-	58,814	77,000	77,000	(18,186)
Total fines and forfeitures	2,124,594	-	2,124,594	1,896,650	1,896,650	227,944
INTEREST ON INVESTED FUNDS	8,809	-	8,809	134,720	134,720	(125,911)
MISCELLANEOUS						
Donations	22,115	-	22,115	-	-	22,115
Rents	312,092	-	312,092	293,300	293,300	18,792
Other investment income	73,776	-	73,776	35,336	35,336	38,440
Other	515,263	(15,527)	499,736	16,300	299,570	200,166
Total miscellaneous	923,246	(15,527)	907,719	344,936	628,206	279,513
Total revenues	\$ 35,079,069	\$ (1,290,602)	\$ 33,788,467	\$ 35,250,775	\$ 33,262,339	\$ 526,128

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
GENERAL GOVERNMENT						
Personnel	\$ 6,739,561	\$ (496,006)	\$ 6,243,555	\$ 6,687,480	\$ 6,230,466	\$ (13,089)
Supplies	127,535	(3,635)	123,900	162,926	110,438	(13,462)
Service charges	3,039,716	(10,966)	3,028,750	3,419,448	3,009,450	(19,300)
Capital outlay	59,696	86,375	146,071	10,000	121,128	(24,943)
Total general government	\$ 9,966,508	\$ (424,232)	\$ 9,542,276	\$ 10,279,854	\$ 9,471,482	\$ (70,794)
PUBLIC SAFETY						
Personnel	\$ 13,538,464	\$ (292,283)	\$ 13,246,181	\$ 14,062,277	\$ 13,306,957	\$ 60,776
Supplies	707,828	(5,507)	702,321	800,656	676,676	(25,645)
Service charges	2,093,477	(52,808)	2,040,669	2,255,927	2,059,614	18,945
Capital outlay	1,297,638	(390,096)	907,542	-	819,249	(88,293)
Total public safety	\$ 17,637,407	\$ (740,694)	\$ 16,896,713	\$ 17,118,860	\$ 16,862,496	\$ (34,217)
PUBLIC WORKS						
Personnel	\$ 2,020,829	\$ -	\$ 2,020,829	\$ 2,219,211	\$ 2,030,025	\$ 9,196
Supplies	864,287	(7,557)	856,730	970,500	875,286	18,556
Service charges	391,870	3,843	395,713	665,281	444,080	48,367
Capital outlay	2,758	-	2,758	-	3,769	1,011
Total public works	\$ 3,279,744	\$ (3,714)	\$ 3,276,030	\$ 3,854,992	\$ 3,353,160	\$ 77,130
HEALTH AND WELFARE						
Personnel	\$ 604,558	\$ -	\$ 604,558	\$ 585,732	\$ 604,514	\$ (44)
Supplies	66,234	(945)	65,289	85,225	60,704	(4,585)
Service charges	13,751	-	13,751	16,733	14,544	793
Capital outlay	-	-	-	-	780	780
Total health and welfare	\$ 684,543	\$ (945)	\$ 683,598	\$ 687,690	\$ 680,542	\$ (3,056)

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CULTURE AND RECREATION						
Personnel	\$ 3,519,758	\$ -	\$ 3,519,758	\$ 3,555,059	\$ 3,495,705	\$ (24,053)
Supplies	386,787	(8,707)	378,080	437,588	373,134	(4,946)
Service charges	1,090,166	3,435	1,093,601	1,140,065	1,093,046	(555)
Capital outlay	4,665	-	4,665	2,000	5,750	1,085
Total culture and recreation	\$ 5,001,376	\$ (5,272)	\$ 4,996,104	\$ 5,134,712	\$ 4,967,635	\$ (28,469)
TRANSIT						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	410,001	(208,511)	201,490	392,192	143,556	(57,934)
Capital outlay	-	-	-	-	-	-
TOTAL TRANSIT	\$ 410,001	\$ (208,511)	\$ 201,490	\$ 392,192	\$ 143,556	\$ (57,934)
TOTAL EXPENDITURES						
Personnel	\$ 26,423,170	\$ (788,289)	\$ 25,634,881	\$ 27,109,759	\$ 25,667,667	\$ 32,786
Supplies	2,152,671	(26,351)	2,126,320	2,456,895	2,096,238	(30,082)
Service charges	7,038,981	(265,007)	6,773,974	7,889,646	6,764,290	(9,684)
Capital outlay	1,364,757	(303,721)	1,061,036	12,000	950,676	(110,360)
TOTAL EXPENDITURES	\$ 36,979,579	\$ (1,383,368)	\$ 35,596,211	\$ 37,468,300	\$ 35,478,871	\$ (117,340)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION
YEAR ENDED JUNE 30, 2010

COUNCIL OFFICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	\$ 871,937	\$ -	\$ 871,937	\$ 884,976	\$ 871,133	\$ (804)
Supplies	32,054	(2,924)	29,130	37,170	31,872	2,742
Service charges	57,176	(5,884)	51,292	127,900	52,450	1,158
Capital outlay	18,404	87,180	105,584	10,000	104,591	(993)
Total expenditures	\$ 979,571	\$ 78,372	\$ 1,057,943	\$ 1,060,046	\$ 1,060,046	\$ 2,103

MAYOR'S OFFICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	\$ 534,709	\$ -	\$ 534,709	\$ 554,480	\$ 532,172	\$ (2,537)
Supplies	9,657	(583)	9,074	25,500	11,372	2,298
Service charges	32,124	-	32,124	37,700	34,449	2,325
Capital outlay	646	-	646	-	647	1
Total expenditures	\$ 577,136	\$ (583)	\$ 576,553	\$ 617,680	\$ 578,640	\$ 2,087

FINANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	\$ 805,397	\$ -	\$ 805,397	\$ 801,057	\$ 802,239	\$ (3,158)
Supplies	14,425	(70)	14,355	21,000	14,386	31
Service charges	41,432	-	41,432	41,130	46,025	4,593
Capital outlay	536	-	536	-	537	1
Total expenditures	\$ 861,790	\$ (70)	\$ 861,720	\$ 863,187	\$ 863,187	\$ 1,467

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2010

PURCHASING

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 286,996	\$ -	\$ 286,996	\$ 283,814	\$ 285,930	\$ (1,066)
Supplies	4,233	(159)	4,074	8,000	4,000	(74)
Service charges	24,227	-	24,227	32,374	25,370	1,143
Capital outlay	450	-	450	-	599	149
Total expenditures	\$ 315,906	\$ (159)	\$ 315,747	\$ 324,188	\$ 315,899	\$ 152

HUMAN RESOURCES

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 322,174	\$ -	\$ 322,174	\$ 353,255	\$ 323,815	\$ 1,641
Supplies	3,117	303	3,420	4,560	4,910	1,490
Service charges	43,504	(231)	43,273	51,280	50,450	7,177
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 368,795	\$ 72	\$ 368,867	\$ 409,095	\$ 379,175	\$ 10,308

PLANNING

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 464,369	\$ -	\$ 464,369	\$ 465,480	\$ 463,281	\$ (1,088)
Supplies	6,149	205	6,354	7,800	6,457	103
Service charges	33,019	-	33,019	56,543	38,086	5,067
Capital outlay	4,047	-	4,047	-	4,047	-
Total expenditures	\$ 507,584	\$ 205	\$ 507,789	\$ 529,823	\$ 511,871	\$ 4,082

INFORMATION TECHNOLOGY

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 362,369	\$ -	\$ 362,369	\$ 345,670	\$ 367,570	\$ 5,201
Supplies	7,893	(857)	7,036	8,350	6,481	(555)
Service charges	200,640	11,138	211,778	287,523	213,650	1,872
Capital outlay	2,730	-	2,730	-	3,342	612
Total expenditures	\$ 573,632	\$ 10,281	\$ 583,913	\$ 641,543	\$ 591,043	\$ 7,130

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2010

CIVIL SERVICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 202,126	\$ -	\$ 202,126	\$ 218,508	\$ 203,663	\$ 1,537
Supplies	1,428	562	1,990	5,595	2,123	133
Service charges	15,506	1,475	16,981	24,843	18,310	1,329
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 219,060	\$ 2,037	\$ 221,097	\$ 248,946	\$ 224,096	\$ 2,999

GENERAL MUNICIPAL EXPENSE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,016,696	\$ (496,006)	\$ 520,690	\$ 604,033	\$ 510,638	\$ (10,052)
Supplies	26,871	25	26,896	6,900	6,743	(20,153)
Service charges	1,342,825	(17,464)	1,325,361	1,275,695	1,238,362	(86,999)
Capital outlay	30,592	684	31,276	-	6,563	(24,713)
Total expenditures	\$ 2,416,984	\$ (512,761)	\$ 1,904,223	\$ 1,886,628	\$ 1,762,306	\$ (141,917)

MAYOR'S COURT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 680,225	\$ -	\$ 680,225	\$ 908,533	\$ 680,273	\$ 48
Supplies	14,469	108	14,577	27,051	15,103	526
Service charges	26,019	-	26,019	40,968	27,311	1,292
Capital outlay	1,489	(1,489)	-	-	-	-
Total expenditures	\$ 722,202	\$ (1,381)	\$ 720,821	\$ 976,552	\$ 722,687	\$ 1,866

CITY ATTORNEY

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	628,735	\$ -	\$ 628,735	617,596	626,118	\$ (2,617)
Supplies	7,239	(245)	6,994	11,000	6,991	(3)
Service charges	137,446	-	137,446	279,400	164,085	26,639
Capital outlay	802	-	802	0	802	-
Total expenditures	\$ 774,222	\$ (245)	\$ 773,977	\$ 907,996	\$ 797,996	\$ 24,019

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2010

INSURANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 168,863	\$ -	\$ 168,863	\$ 158,245	\$ 168,669	\$ (194)
Supplies	-	-	-	-	-	-
Service charges	1,070,669	-	1,070,669	1,164,092	1,100,902	30,233
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,239,532	\$ -	\$ 1,239,532	\$ 1,322,337	\$ 1,269,571	\$ 30,039

PAY INCENTIVES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 394,965	\$ -	\$ 394,965	\$ 491,833	\$ 394,965	\$ -
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 394,965	\$ -	\$ 394,965	\$ 491,833	\$ 394,965	\$ -

BAD DEBT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	15,129	-	15,129	-	-	(15,129)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 15,129	\$ -	\$ 15,129	\$ -	\$ -	\$ (15,129)

TOTAL - GENERAL GOVERNMENT FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 6,739,561	\$ (496,006)	\$ 6,243,555	\$ 6,687,480	\$ 6,230,466	\$ (13,089)
Supplies	127,535	(3,635)	123,900	162,926	110,438	(13,462)
Service charges	3,039,716	(10,966)	3,028,750	3,419,448	3,009,450	(19,300)
Capital outlay	59,696	86,375	146,071	10,000	121,128	(24,943)
Total expenditures	\$ 9,966,508	\$ (424,232)	\$ 9,542,276	\$ 10,279,854	\$ 9,471,482	\$ (70,794)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION
YEAR ENDED JUNE 30, 2010

POLICE ADMINISTRATIVE SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 906,359	\$ -	\$ 906,359	\$ 936,341	\$ 903,548	\$ (2,811)
Supplies	15,068	3,063	18,131	38,000	20,000	1,869
Service charges	701,713	(35,695)	666,018	707,000	669,000	2,982
Capital outlay	543,692	(383,749)	159,943	-	231,500	71,557
Total expenditures	\$ 2,166,832	\$ (416,381)	\$ 1,750,451	\$ 1,681,341	\$ 1,824,048	\$ 73,597

POLICE FIELD SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 5,670,289	\$ (277,789)	\$ 5,392,500	\$ 6,560,898	\$ 5,444,964	\$ 52,464
Supplies	493,782	(4,138)	489,644	525,000	459,000	(30,644)
Service charges	1,062,135	(24,619)	1,037,516	1,132,000	1,044,000	6,484
Capital outlay	748,968	(12,570)	736,398	-	573,000	(163,398)
Total expenditures	\$ 7,975,174	\$ (319,116)	\$ 7,656,058	\$ 8,217,898	\$ 7,520,964	\$ (135,094)

POLICE INVESTIGATING SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,817,263	\$ (14,494)	\$ 1,802,769	\$ 2,135,887	\$ 1,794,766	\$ (8,003)
Supplies	16,115	(2,023)	14,092	12,000	15,000	908
Service charges	10,213	7,267	17,480	15,000	19,000	1,520
Capital outlay	(90)	1,809	1,719	-	2,000	281
Total expenditures	\$ 1,843,501	\$ (7,441)	\$ 1,836,060	\$ 2,162,887	\$ 1,830,766	\$ (5,294)

POLICE COMMUNICATIONS SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 746,972	\$ -	\$ 746,972	\$ 565,167	\$ 754,248	\$ 7,276
Supplies	3,050	(601)	2,449	3,000	-	551
Service charges	30,646	323	30,969	-	31,000	31
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 780,668	\$ (278)	\$ 780,390	\$ 568,167	\$ 788,248	\$ 7,858

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2010

POLICE JAIL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 686,357	\$ -	\$ 686,357	\$ 697,200	\$ 687,835	\$ 1,478
Supplies	123,297	(210)	123,087	151,000	123,700	613
Service charges	22,065	638	22,703	7,500	23,500	797
Capital outlay	1,700	1,525	3,225	-	3,500	275
Total expenditures	\$ 833,419	\$ 1,953	\$ 835,372	\$ 855,700	\$ 838,535	\$ 3,163

POLICE TECHNICAL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,267,742	\$ -	\$ 1,267,742	\$ 669,088	\$ 1,272,688	\$ 4,946
Supplies	13,909	(4,070)	9,839	15,000	11,000	1,161
Service charges	10,292	(517)	9,775	13,000	9,000	(775)
Capital outlay	914	2,889	3,803	-	5,500	1,697
Total expenditures	\$ 1,292,857	\$ (1,698)	\$ 1,291,159	\$ 697,088	\$ 1,298,188	\$ 7,029

CODE ENFORCEMENT - ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,445,593	\$ -	\$ 1,445,593	\$ 1,538,565	\$ 1,440,121	\$ (5,472)
Supplies	26,640	2,462	29,102	35,019	27,595	(1,507)
Service charges	249,406	(205)	249,201	372,201	256,408	7,207
Capital outlay	2,454	-	2,454	-	3,749	1,295
Total expenditures	\$ 1,724,093	\$ 2,257	\$ 1,726,350	\$ 1,945,785	\$ 1,727,873	\$ 1,523

POLICE SUPPORT SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	796,260	\$ -	\$ 796,260	724,146.00	806,478	\$ 10,218
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 796,260	\$ -	\$ 796,260	\$ 724,146	\$ 806,478	\$ 10,218

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2010

CODE ENFORCEMENT - INSPECTIONS

						VARIANCE
						WITH FINAL
		ADJUSTMENT		BUDGETARY AMOUNTS		BUDGET
	ACTUAL	TO BUDGETARY	BUDGETARY	ORIGINAL	FINAL	POSITIVE
		BASIS		BUDGET	BUDGET	(NEGATIVE)
EXPENDITURES						
Personnel	\$ 201,629	\$ -	\$ 201,629	\$ 234,985	\$ 202,309	\$ 680
Supplies	15,967	10	15,977	21,637	17,381	1,404
Service charges	7,007	-	7,007	9,226	7,706	699
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 224,603	\$ 10	\$ 224,613	\$ 265,848	\$ 227,396	\$ 2,783

TOTAL - PUBLIC SAFETY FUNCTION

						VARIANCE
						WITH FINAL
		ADJUSTMENT		BUDGETARY AMOUNTS		BUDGET
	ACTUAL	TO BUDGETARY	BUDGETARY	ORIGINAL	FINAL	POSITIVE
		BASIS		BUDGET	BUDGET	(NEGATIVE)
EXPENDITURES						
Personnel	\$ 13,538,464	\$ (292,283)	\$ 13,246,181	\$ 14,062,277	\$ 13,306,957	\$ 60,776
Supplies	707,828	(5,507)	702,321	800,656	676,676	(25,645)
Service charges	2,093,477	(52,808)	2,040,669	2,255,927	2,059,614	18,945
Capital outlay	1,297,638	(390,096)	907,542	-	819,249	(88,293)
Total expenditures	\$ 17,637,407	\$ (740,694)	\$ 16,896,713	\$ 17,118,860	\$ 16,862,496	\$ (34,217)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION
YEAR ENDED JUNE 30, 2010

PUBLIC WORKS - TRAFFIC

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 212,428	\$ -	\$ 212,428	\$ 215,696	\$ 216,605	\$ 4,177
Supplies	51,444	3,160	54,604	74,500	54,500	(104)
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 263,872	\$ 3,160	\$ 267,032	\$ 290,196	\$ 271,105	\$ 4,073

PUBLIC WORKS - PARKWAYS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 88,339	\$ -	\$ 88,339	\$ 115,728	\$ 88,908	\$ 569
Supplies	19,559	(9)	19,550	34,000	18,256	(1,294)
Service charges	131,930	-	131,930	381,300	154,743	22,813
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 239,828	\$ (9)	\$ 239,819	\$ 531,028	\$ 261,907	\$ 22,088

PUBLIC WORKS - ENGINEERING & CAPITAL PROJECTS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 35,845	\$ -	\$ 35,845	\$ 180,349	\$ 36,948	\$ 1,103
Supplies	10,146	(1,769)	8,377	16,000	10,000	1,623
Service charges	114,012	-	114,012	120,000	116,000	1,988
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 160,003	\$ (1,769)	\$ 158,234	\$ 316,349	\$ 162,948	\$ 4,714

PUBLIC WORKS - FLEET MANAGEMENT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 400,649	\$ -	\$ 400,649	\$ 398,909	\$ 400,613	\$ (36)
Supplies	576,328	(6,771)	569,557	576,500	577,182	7,625
Service charges	39,423	4,390	43,813	66,000	56,318	12,505
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,016,400	\$ (2,381)	\$ 1,014,019	\$ 1,041,409	\$ 1,034,113	\$ 20,094

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2010

PUBLIC WORKS - BUILDING MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 656,081	\$ -	\$ 656,081	\$ 641,634	\$ 660,549	\$ 4,468
Supplies	166,005	(3,650)	162,355	220,000	166,162	3,807
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 822,086	\$ (3,650)	\$ 818,436	\$ 861,634	\$ 826,711	\$ 8,275

PUBLIC WORKS ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 627,487	\$ -	\$ 627,487	\$ 666,895	\$ 626,402	\$ (1,085)
Supplies	40,805	1,482	42,287	49,500	49,186	6,899
Service charges	106,505	(547)	105,958	97,981	117,019	11,061
Capital outlay	2,758	-	2,758	-	3,769	1,011
Total expenditures	\$ 777,555	\$ 935	\$ 778,490	\$ 814,376	\$ 796,376	\$ 17,886

TOTAL - PUBLIC WORKS FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 2,020,829	\$ -	\$ 2,020,829	\$ 2,219,211	\$ 2,030,025	\$ 9,196
Supplies	864,287	(7,557)	856,730	970,500	875,286	18,556
Service charges	391,870	3,843	395,713	665,281	444,080	48,367
Capital outlay	2,758	-	2,758	-	3,769	1,011
Total expenditures	\$ 3,279,744	\$ (3,714)	\$ 3,276,030	\$ 3,854,992	\$ 3,353,160	\$ 77,130

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
HEALTH AND WELFARE FUNCTION
YEAR ENDED JUNE 30, 2010

CODE ENFORCEMENT - HUMANE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 103,802	\$ -	\$ 103,802	\$ 75,059	\$ 103,591	\$ (211)
Supplies	1,609	15	1,624	2,849	3,112	1,488
Service charges	592	-	592	3,500	969	377
Capital outlay	-	-	-	-	780	780
Total expenditures	\$ 106,003	\$ 15	\$ 106,018	\$ 81,408	\$ 108,452	\$ 2,434

FOOD BANK

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 130,637	\$ -	\$ 130,637	\$ 132,166	\$ 130,883	\$ 246
Supplies	5,700	-	5,700	-	-	(5,700)
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 136,337	\$ -	\$ 136,337	\$ 132,166	\$ 130,883	\$ (5,454)

COUNCIL ON AGING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 370,119	\$ -	\$ 370,119	\$ 378,507	\$ 370,040	\$ (79)
Supplies	6,737	(5)	6,732	12,600	6,805	73
Service charges	13,159	-	13,159	13,233	13,575	416
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 390,015	\$ (5)	\$ 390,010	\$ 404,340	\$ 390,420	\$ 410

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
HEALTH AND WELFARE FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2010

HEALTH & WELFARE - MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	52,188	(955)	51,233	69,776	50,787	(446)
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 52,188</u>	<u>\$ (955)</u>	<u>\$ 51,233</u>	<u>\$ 69,776</u>	<u>\$ 50,787</u>	<u>\$ (446)</u>

TOTAL - HEALTH AND WELFARE FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 604,558	\$ -	\$ 604,558	\$ 585,732	\$ 604,514	\$ (44)
Supplies	66,234	(945)	65,289	85,225	60,704	(4,585)
Service charges	13,751	-	13,751	16,733	14,544	793
Capital outlay	-	-	-	-	780	780
Total expenditures	<u>\$ 684,543</u>	<u>\$ (945)</u>	<u>\$ 683,598</u>	<u>\$ 687,690</u>	<u>\$ 680,542</u>	<u>\$ (3,056)</u>

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION
YEAR ENDED JUNE 30, 2010

LEISURE SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 120,652	\$ -	\$ 120,652	\$ 90,353	\$ 120,353	\$ (299)
Supplies	68,110	1,092	69,202	59,690	71,690	2,488
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 188,762	\$ 1,092	\$ 189,854	\$ 150,043	\$ 192,043	\$ 2,189

TOURISM

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 49,101	\$ -	\$ 49,101	\$ 48,702	\$ 48,925	\$ (176)
Supplies	40,255	12,250	52,505	50,070	52,505	-
Service charges	8,072	(350)	7,722	24,120	7,737	15
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 97,428	\$ 11,900	\$ 109,328	\$ 122,892	\$ 109,167	\$ (161)

CULTURE & RECREATION - HUMANITIES AND MUSEUMS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 326,522	\$ -	\$ 326,522	\$ 326,246	\$ 326,804	\$ 282
Supplies	11,684	-	11,684	11,500	12,126	442
Service charges	10,010	-	10,010	59,830	10,979	969
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 348,216	\$ -	\$ 348,216	\$ 397,576	\$ 349,909	\$ 1,693

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2010

RECREATION - ATHLETICS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,357,287	\$ -	\$ 1,357,287	\$ 1,365,497	\$ 1,341,805	\$ (15,482)
Supplies	88,505	1,170	89,675	132,886	89,886	211
Service charges	536,209	20	536,229	597,965	548,215	11,986
Capital outlay	4,665	-	4,665	2,000	5,750	1,085
Total expenditures	\$ 1,986,666	\$ 1,190	\$ 1,987,856	\$ 2,098,348	\$ 1,985,656	\$ (2,200)

RECREATION MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,250,856	\$ -	\$ 1,250,856	\$ 1,305,707	\$ 1,242,593	\$ (8,263)
Supplies	165,915	(22,591)	\$ 143,324	144,842	131,842	(11,482)
Service charges	287,256	3,910	291,166	171,500	261,500	(29,666)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,704,027	\$ (18,681)	\$ 1,685,346	\$ 1,622,049	\$ 1,635,935	\$ (49,411)

COMMUNITY SERVICE - ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 287,598	\$ -	\$ 287,598	\$ 286,293	\$ 286,579	\$ (1,019)
Supplies	11,110	2,072	13,182	36,200	13,685	503
Service charges	188,089	(145)	187,944	230,150	205,615	17,671
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 486,797	\$ 1,927	\$ 488,724	\$ 552,643	\$ 505,879	\$ 17,155

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2010

CITY PARK OPERATIONS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 127,742	\$ -	\$ 127,742	\$ 132,261	\$ 128,646	\$ 904
Supplies	1,208	(2,700)	(1,492)	2,400	1,400	2,892
Service charges	60,530	-	60,530	56,500	59,000	(1,530)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 189,480	\$ (2,700)	\$ 186,780	\$ 191,161	\$ 189,046	\$ 2,266

TOTAL - CULTURE AND RECREATION FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 3,519,758	\$ -	\$ 3,519,758	\$ 3,555,059	\$ 3,495,705	\$ (24,053)
Supplies	386,787	(8,707)	378,080	437,588	373,134	(4,946)
Service charges	1,090,166	3,435	1,093,601	1,140,065	1,093,046	(555)
Capital outlay	4,665	0	4,665	2,000	5,750	1,085
Total expenditures	\$ 5,001,376	\$ (5,272)	\$ 4,996,104	\$ 5,134,712	\$ 4,967,635	\$ (28,469)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
TRANSIT FUNCTION
YEAR ENDED JUNE 30, 2010

TOTAL - TRANSIT FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	410,001	(208,511)	201,490	392,192	143,556	(57,934)
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 410,001</u>	<u>\$ (208,511)</u>	<u>\$ 201,490</u>	<u>\$ 392,192</u>	<u>\$ 143,556</u>	<u>\$ (57,934)</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GARBAGE COLLECTION AND DISPOSAL FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes:						
Ad valorem tax	\$ 737,519	\$ -	\$ 737,519	\$ 760,287	\$ 760,287	\$ (22,768)
Intergovernmental	4,090	-	4,090	-	-	4,090
Charges for services:						
Garbage fees and penalties	2,990,964	-	2,990,964	2,872,083	2,872,083	118,881
Interest	-	-	-	-	-	-
Total revenues	3,732,573	-	3,732,573	3,632,370	3,632,370	100,203
EXPENDITURES						
Public works:						
Contractual services	4,117,237	-	4,117,237	4,085,702	4,063,702	(53,535)
Total expenditures	4,117,237	-	4,117,237	4,085,702	4,063,702	(53,535)
Excess (deficiency) of revenues over (under) expenditures	(384,664)	-	(384,664)	(453,332)	(431,332)	46,668
OTHER FINANCING SOURCES (USES)						
Transfers in	384,664	-	384,664	453,332	431,332	(46,668)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	384,664	-	384,664	453,332	431,332	(46,668)
Net change in fund balances	-	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROADS AND BRIDGES FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 718,643	\$ -	\$ 718,643	\$ 802,315	\$ 802,315	\$ (83,672)
Intergovernmental	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total revenues	718,643	-	718,643	802,315	802,315	(83,672)
EXPENDITURES						
Public works:						
Personnel	1,470,338	-	1,470,338	1,437,755	1,463,433	(6,905)
Supplies	235,823	540	236,363	248,815	249,866	13,503
Service charges	22,484	-	22,484	40,000	26,649	4,165
Total expenditures	1,728,645	540	1,729,185	1,726,570	1,739,948	10,763
Excess (deficiency) of revenues over (under) expenditures	(1,010,002)	(540)	(1,010,542)	(924,255)	(937,633)	(72,909)
OTHER FINANCING SOURCES						
Transfers in	1,016,547	-	1,016,547	924,255	937,633	78,914
Net change in fund balance	6,545	(540)	6,005	-	-	6,005
Fund balance - beginning of year	11,560	-	11,560	-	-	11,560
Fund balance - end of year	\$ 18,105	\$ (540)	\$ 17,565	\$ -	\$ -	\$ 17,565

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET LIGHTING FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Ad valorem tax	\$ 7	\$ -	\$ 7	\$ -	\$ -	\$ 7
Total revenues	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
EXPENDITURES						
Personnel	303,485	-	303,485	291,785	300,966	(2,519)
Supplies	83,798	(10,644)	73,154	80,000	73,154	-
Service charges	924,275	-	924,275	950,000	921,272	(3,003)
Total expenditures	<u>1,311,558</u>	<u>(10,644)</u>	<u>1,300,914</u>	<u>1,321,785</u>	<u>1,295,392</u>	<u>(5,522)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,311,551)</u>	<u>10,644</u>	<u>(1,300,907)</u>	<u>(1,321,785)</u>	<u>(1,295,392)</u>	<u>(5,515)</u>
OTHER FINANCING SOURCES						
Transfers in	1,311,551	-	1,311,551	1,321,785	1,295,392	16,159
Net change in fund balance	-	10,644	10,644	-	-	10,644
	14,741	-	14,741	-	-	14,741
	<u>\$ 14,741</u>	<u>\$ 10,644</u>	<u>\$ 25,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,385</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AD VALOREM TAX BONDS FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes:						
Ad valorem tax	\$ 1,983,860	\$ -	\$ 1,983,860	\$ 1,983,833	\$ 1,983,833	\$ 27
Interest on invested funds	22	-	22	-	-	22
Total revenues	1,983,882	-	1,983,882	1,983,833	1,983,833	49
EXPENDITURES						
Debt service:						
Principal	1,390,000	-	1,390,000	1,390,000	1,390,000	-
Interest and fiscal charges	593,833	-	593,833	593,833	593,833	-
Agent fees	-	-	-	-	-	-
Total expenditures	1,983,833	-	1,983,833	1,983,833	1,983,833	-
Excess (deficiency) of revenues over (under) expenditures	49	-	49	-	-	49
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	49	-	49	-	-	49
Fund balance - beginning of year	48,746	-	48,746	48,746	48,746	-
Fund balance - end of year	\$ 48,795	\$ -	\$ 48,795	\$ 48,746	\$ 48,746	\$ 49

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIREMEN'S PENSION MERGER FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes						
Fire insurance premium	\$ 267,122	\$ -	\$ 267,122	\$ 266,429	\$ 266,429	\$ 693
Interest on invested funds	-	-	-	3,375	3,375	(3,375)
Miscellaneous	-	-	-	-	-	-
Total revenues	267,122	-	267,122	269,804	269,804	(2,682)
EXPENDITURES						
Debt service:						
Principal	61,595	-	61,595	61,597	61,597	2
Interest and fiscal charges	176,107	-	176,107	176,107	176,107	-
Total expenditures	237,702	-	237,702	237,704	237,704	2
Excess (deficiency) of revenues over (under) expenditures	29,420	-	29,420	32,100	32,100	(2,680)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	29,420	-	29,420	32,100	32,100	(2,680)
Fund balance - beginning of year	724,459	-	724,459	724,459	724,459	-
Fund balance - end of year	\$ 753,879	\$ -	\$ 753,879	\$ 756,559	\$ 756,559	\$ (2,680)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL DEBT FUND
YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Sales tax	\$ 4,084,141	\$ -	\$ 4,084,141	\$ 4,038,896	\$ 4,038,896	\$ 45,245
Interest on invested funds	4,079	-	4,079	57,023	57,023	(52,944)
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>4,088,220</u>	<u>-</u>	<u>4,088,220</u>	<u>4,095,919</u>	<u>4,095,919</u>	<u>(7,699)</u>
EXPENDITURES						
Debt service:						
Principal	4,495,000	-	4,495,000	4,310,000	4,310,000	(185,000)
Interest	1,154,504	-	1,154,504	1,146,992	1,146,992	(7,512)
Miscellaneous	36,000	-	36,000	36,000	36,000	-
Total expenditures	<u>5,685,504</u>	<u>-</u>	<u>5,685,504</u>	<u>5,492,992</u>	<u>5,492,992</u>	<u>(192,512)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,597,284)</u>	<u>-</u>	<u>(1,597,284)</u>	<u>(1,397,073)</u>	<u>(1,397,073)</u>	<u>(200,211)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	808,581	-	808,581	1,397,073	1,397,073	\$ (588,492)
Transfers out	<u>(614,645)</u>	<u>-</u>	<u>(614,645)</u>	<u>-</u>	<u>-</u>	<u>(614,645)</u>
Total other financing sources (uses)	<u>193,936</u>	<u>-</u>	<u>193,936</u>	<u>1,397,073</u>	<u>1,397,073</u>	<u>(1,203,137)</u>
Net change in fund balance	<u>(1,403,348)</u>	<u>-</u>	<u>(1,403,348)</u>	<u>-</u>	<u>-</u>	<u>(1,403,348)</u>
Fund balance - beginning of year	<u>4,453,595</u>	<u>-</u>	<u>4,453,595</u>	<u>4,453,595</u>	<u>4,453,595</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,050,247</u>	<u>\$ -</u>	<u>\$ 3,050,247</u>	<u>\$ 4,453,595</u>	<u>\$ 4,453,595</u>	<u>\$ (1,403,348)</u>

**CITY OF KENNER, LOUISIANA
ENTERPRISE FUND DESCRIPTIONS
JUNE 30, 2010**

ENTERPRISE FUNDS

Enterprise Funds are used to report any activity for which a fee is charged to external users for goods or services.

DEPARTMENT OF WASTEWATER OPERATIONS FUND

The Department of Wastewater Operations Fund accounts for the sewer services provided to the residents of the City of Kenner.

CIVIC CENTER OPERATIONS FUND

The Civic Center Operations Fund accounts for the operations of the Pontchartrain Civic Center.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
WASTEWATER OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
OPERATING REVENUES						
Charges for services						
Sewerage service charges	\$ 3,517,961	\$ -	\$ 3,517,961	\$ 4,315,718	\$ 4,315,718	\$ (797,757)
Miscellaneous	2	-	2	1,000	1,000	(998)
Total operating revenues	<u>3,517,963</u>	<u>-</u>	<u>3,517,963</u>	<u>4,316,718</u>	<u>4,316,718</u>	<u>(798,755)</u>
OPERATING EXPENSES						
Supplies and other expenses	276	-	276	-	57	(219)
Building and maintenance expenses	84,159	-	84,159	60,000	84,159	-
Outside services	4,891,325	-	4,891,325	4,694,140	4,723,473	(167,852)
Insurance claims	-	-	-	-	-	-
Insurance premiums	-	-	-	-	-	-
Depreciation	2,291,608	(2,291,608)	-	-	-	-
Other	15,344	-	15,344	101,418	47,869	32,525
Total operating expenses	<u>7,282,712</u>	<u>(2,291,608)</u>	<u>4,991,104</u>	<u>4,855,558</u>	<u>4,855,558</u>	<u>(135,546)</u>
Operating income (loss)	<u>(3,764,749)</u>	<u>2,291,608</u>	<u>(1,473,141)</u>	<u>(538,840)</u>	<u>(538,840)</u>	<u>(934,301)</u>
NON-OPERATING REVENUES (EXPENSES)						
Ad valorem taxes	522,429	-	522,429	538,340	538,340	(15,911)
Hotel/motel taxes	-	-	-	-	-	-
Cable television franchise fees	-	-	-	-	-	-
Operating grants	2,552	-	2,552	-	-	2,552
Interest income	365	-	365	500	500	(135)
Interest expense	-	-	-	-	-	-
Total non-operating revenues (expenses)	<u>525,346</u>	<u>-</u>	<u>525,346</u>	<u>538,840</u>	<u>538,840</u>	<u>(13,494)</u>
Income (loss) before contributions and transfers	<u>(3,239,403)</u>	<u>2,291,608</u>	<u>(947,795)</u>	<u>-</u>	<u>-</u>	<u>(947,795)</u>
Capital contributions	325,899	(325,899)	-	-	-	-
Transfer in	-	-	-	-	-	-
Change in net assets	<u>(2,913,504)</u>	<u>1,965,709</u>	<u>(947,795)</u>	<u>-</u>	<u>-</u>	<u>(947,795)</u>
Net assets - beginning of year	<u>49,981,312</u>	<u>-</u>	<u>49,981,312</u>	<u>49,981,312</u>	<u>49,981,312</u>	<u>-</u>
Net assets - end of year	<u>\$ 47,067,808</u>	<u>\$ 1,965,709</u>	<u>\$ 49,033,517</u>	<u>\$ 49,981,312</u>	<u>\$ 49,981,312</u>	<u>\$ (947,795)</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
CIVIC CENTER OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2010

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
OPERATING REVENUES						
Charges for services:						
Rental charges	\$ 643,161	\$ -	\$ 643,161	\$ 750,000	\$ 750,000	\$ (106,839)
Parking	53,152	-	53,152	50,000	50,000	3,152
Concessions	86,875	-	86,875	70,000	70,000	16,875
Catering	97,169	-	97,169	100,000	100,000	(2,831)
Reimbursed services	361,616	-	361,616	135,900	135,900	225,716
Advertising	15,673	-	15,673	44,000	44,000	(28,327)
Miscellaneous	9,200	-	9,200	5,500	5,500	3,700
Total charges for services	1,266,846	-	1,266,846	1,155,400	1,155,400	111,446
Miscellaneous	11,543	-	11,543	17,100	17,100	(5,557)
Total operating revenues	1,278,389	-	1,278,389	1,172,500	1,172,500	105,889
OPERATING EXPENSES						
Supplies and other expenses	25,929	-	25,929	19,790	19,790	(6,139)
Building and maintenance expense	523,238	-	523,238	654,850	654,850	131,612
Outside services	1,188,516	-	1,188,516	1,211,410	1,211,410	22,894
Insurance premiums	95,883	-	95,883	114,625	114,625	18,742
General expenses:						
Depreciation	1,289,381	(1,289,381)	-	-	-	-
Other	33,820	-	33,820	-	-	(33,820)
Total operating expenses	3,156,767	(1,289,381)	1,867,386	2,000,675	2,000,675	133,289
Operating Income (loss)	(1,878,378)	1,289,381	(588,997)	(828,175)	(828,175)	239,178
NON-OPERATING REVENUES						
Hotel/motel taxes	382,424	-	382,424	415,133	415,133	(32,709)
Cable television franchise fees	454,143	-	454,143	423,518	423,518	30,625
Interest income	774	-	774	7,500	7,500	(6,726)
Gain on disposal of assets	-	-	-	-	-	-
Total non-operating revenues	837,341	-	837,341	846,151	846,151	(8,810)
Income(loss) before contributions, transfers, and extraordinary item	(1,041,037)	1,289,381	248,344	17,976	17,976	230,368
Loss on insurance receivable	(497,644)	-	(497,644)	-	-	497,644
Transfers Out	(350,000)	-	(350,000)	(350,000)	(350,000)	-
Change in net assets	(1,888,681)	-	(847,644)	(350,000)	(350,000)	497,644
Net assets - beginning of year	22,904,357	-	22,904,357	22,904,357	22,904,357	-
Net assets - end of year	\$ 21,015,676	\$ -	\$ 22,056,713	\$ 22,554,357	\$ 22,554,357	\$ 497,644

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CITY OF KENNER, LOUISIANA
INTERNAL SERVICE FUND DESCRIPTIONS
JUNE 30, 2010

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

SELF-INSURANCE FUND

The Self-Insurance Fund accounts for monies accumulated to provide automobile, property damage and worker's compensation for which the City is self-insured.

HEALTH INSURANCE FUND

The Health Insurance Fund accounts for monies accumulated to pay the health insurance premiums.

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2010

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
ASSETS			
Cash	\$ 838,575	\$ 163,319	\$ 1,001,894
Equity in pooled cash	-	-	-
Investments	718,975	-	718,975
Due from other funds	287,049	-	287,049
	<u>1,844,599</u>	<u>163,319</u>	<u>2,007,918</u>
Total assets			
	<u>1,844,599</u>	<u>163,319</u>	<u>2,007,918</u>
LIABILITIES			
Accounts payable	-	-	-
Estimated claims payable	3,681,894	-	3,681,894
Due to other funds	-	148,729	148,729
	<u>3,681,894</u>	<u>148,729</u>	<u>3,830,623</u>
Total liabilities			
	<u>3,681,894</u>	<u>148,729</u>	<u>3,830,623</u>
NET ASSETS			
Unrestricted	<u>\$ (1,837,295)</u>	<u>\$ 14,590</u>	<u>\$ (1,822,705)</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2010

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
OPERATING REVENUES			
Charges for services	\$ 500,000	\$ 4,195,276	\$ 4,695,276
OPERATING EXPENSES			
Outside services	142,944	-	142,944
Insurance claims	1,093,422	-	1,093,422
Insurance premiums	-	4,327,083	4,327,083
Total operating expenses	1,236,366	4,327,083	5,563,449
Operating income	(736,366)	(131,807)	(868,173)
NON-OPERATING REVENUE			
Interest revenue	32	131	163
Total non-operating revenue	32	131	163
Income before transfers	(736,334)	(131,676)	(868,010)
Transfers in	-	131,676	131,676
Change in net assets	(736,334)	-	(736,334)
Net assets - beginning of year	(1,100,961)	14,590	(1,086,371)
Net assets - end of year	\$ (1,837,295)	\$ 14,590	\$ (1,822,705)

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2010

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
Cash flows from operating activities:			
Receipts from insured	\$ 500,000	4,195,276	\$ 4,695,276
Payments to suppliers	(1,037,671)	(4,332,123)	(5,369,794)
Internal activity - payments from other funds	(69,802)	-	(69,802)
Net cash used for operating activities	<u>(607,473)</u>	<u>(136,847)</u>	<u>(744,320)</u>
Cash flows from non-capital financing activities:			
Internal activity-receipts from other funds	-	(139,064)	(139,064)
Net cash provided by non-capital financing activities	<u>-</u>	<u>(139,064)</u>	<u>(139,064)</u>
Cash flows from investing activities:			
Proceeds from sales and maturities of investments	4,529,743	-	4,529,743
Purchase of investments	(4,007,042)	-	(4,007,042)
Interest and dividends received	34	131	165
Net cash provided by investing activities	<u>522,735</u>	<u>131</u>	<u>522,866</u>
Net increase (decrease) in cash and cash equivalents	(84,738)	(275,780)	(360,518)
Cash and cash equivalents, beginning of year	<u>923,313</u>	<u>439,099</u>	<u>1,362,412</u>
Cash and cash equivalents, end of year	<u><u>\$ 838,575</u></u>	<u><u>\$ 163,319</u></u>	<u><u>\$ 1,001,894</u></u>
Reconciliation to Statement of Net Assets:			
Cash	\$ 838,575	\$ 163,319	\$ 1,001,894
Equity in pooled cash	-	-	-
Cash and cash equivalents, end of year	<u><u>\$ 838,575</u></u>	<u><u>\$ 163,319</u></u>	<u><u>\$ 1,001,894</u></u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income	\$ (736,366)	\$ (131,807)	\$ (868,173)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Decrease in due from other funds	(25,160)	-	(25,160)
Increase in accounts payable	-	(5,040)	(5,040)
Decrease in estimated claims payable	198,695	-	198,695
Decrease in due to other funds	(44,642)	-	(44,642)
Total adjustments	<u>128,893</u>	<u>(5,040)</u>	<u>123,853</u>
Net cash provided by (used for) operating activities	<u><u>\$ (607,473)</u></u>	<u><u>\$ (136,847)</u></u>	<u><u>\$ (744,320)</u></u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2010

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
Noncash investing, capital, and financing activities:			
Gain on fair market value of investments	\$ -	\$ -	\$ -
(Increase) in fair market value of investments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
 Net effect of noncash activities	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

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CITY OF KENNER, LOUISIANA
AGENCY FUND DESCRIPTIONS
JUNE 30, 2010

AGENCY FUNDS

Agency funds are used to account for the collection and remittance of resources for other governments or funds collected on their behalf.

AIRPORT SALES TAX FUND

The Airport Sales Tax Fund is used to account for the proceeds of sales taxes generated from a special 2% sales tax assessed within the Airport Taxing District, and to distribute to the appropriate taxing bodies.

CITY OF KENNER, LOUISIANA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2010

	AIRPORT SALES TAX FUND			
	<u>BALANCE</u> <u>7/1/09</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>6/30/10</u>
ASSETS				
Equity in pooled cash	\$ -	\$ 676,016	\$ 676,014	\$ 2
Intergovernmental	<u>232,445</u>	<u>323,451</u>	<u>348,668</u>	<u>207,228</u>
Total assets	<u>\$ 232,445</u>	<u>\$ 999,467</u>	<u>\$ 1,024,682</u>	<u>\$ 207,230</u>
LIABILITIES				
Due to other funds	\$ -	\$ 116,223	\$ 116,223	\$ -
Due to other governments	<u>232,445</u>	<u>207,230</u>	<u>232,445</u>	<u>207,230</u>
Total liabilities	<u>\$ 232,445</u>	<u>\$ 323,453</u>	<u>\$ 348,668</u>	<u>\$ 207,230</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF COUNCILPERSONS' COMPENSATION
YEAR ENDED JUNE 30, 2010
(UNAUDITED)

<u>COUNCILPERSON</u>	<u>NUMBER OF DAYS SERVED</u>	<u>COMPENSATION</u>
Sharon Augillard	153	\$ 9,129
Sandra Black	365	26,998
Michele Branigan	365	27,383
Gregory Carroll	212	11,509
Maria Defrancesch	365	20,637
Kent Denapolis	365	21,099
Joseph Stagni	365	20,637
Earl Zahn	365	21,004

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STATISTICAL SECTION

This part of the City of Kenner's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the city's overall financial health.

<u>Contents</u>	<u>Schedules</u>
Financial Trends	1 - 4
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	5 - 9
These schedules contain information to help the reader assess the city's most significant local revenue source, the sales tax, as well as the property tax.	
Debt Capacity	10 - 14
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
Demographic and Economic Information	15 - 16
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	
Operating Information	17 - 19
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF KENNER, LOUISIANA
SCHEDULE 1 – NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Governmental activities							
Invested in capital assets, net of related debt	\$ 274,889,538	\$ 265,281,815	\$ 256,363,785	\$ 248,306,577	\$ 244,639,856	\$ 234,218,393	\$ 226,326,766
Restricted	38,374,872	26,478,404	21,009,433	23,398,322	27,218,388	22,121,215	18,214,320
Unrestricted	8,872,178	11,105,112	14,879,543	15,404,612	7,235,778	1,516,876	(2,398,068)
Total governmental activities net assets	\$ 322,136,588	\$ 302,865,331	\$ 292,252,761	\$ 287,109,511	\$ 279,094,022	\$ 257,856,484	\$ 242,143,018
Business-type activities							
Invested in capital assets, net of related debt	\$ 61,818,200	\$ 67,666,013	\$ 70,241,549	\$ 72,959,236	\$ 72,161,240	\$ 70,647,425	\$ 67,464,821
Restricted	32,272,705	-	-	-	-	-	-
Unrestricted	(28,471,652)	4,156,291	5,684,420	5,282,191	2,795,799	2,238,244	618,663
Total business-type activities net assets	\$ 65,619,253	\$ 71,822,304	\$ 75,925,969	\$ 78,241,427	\$ 74,957,039	\$ 72,885,669	\$ 68,083,484
Primary government							
Invested in capital assets, net of related debt	\$ 336,707,738	\$ 332,947,828	\$ 326,605,334	\$ 321,265,813	\$ 316,801,096	\$ 304,865,818	\$ 293,791,587
Restricted	70,647,577	26,478,404	21,009,433	23,398,322	27,218,388	22,121,215	18,214,320
Unrestricted	(19,599,474)	15,261,403	20,563,963	20,686,803	10,031,577	3,755,120	(1,779,405)
Total primary government net assets	\$ 387,755,841	\$ 374,687,635	\$ 368,178,730	\$ 365,350,938	\$ 354,051,061	\$ 330,742,153	\$ 310,226,502

Source: Audited Comprehensive Annual Financial Reports
Information available for seven years

CITY OF KENNER, LOUISIANA
SCHEDULE 2 – CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(accural basis of accounting)
(Unaudited)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental activities:							
General government	\$ 10,106,706	\$ 11,136,386	\$ 16,926,989	\$ 12,907,101	\$ 13,289,818	\$ 13,018,580	\$ 12,445,711
Public safety	29,638,690	27,037,221	28,711,953	29,353,249	27,769,729	28,264,207	28,176,202
Public works	35,090,785	40,350,132	59,920,613	33,441,899	27,424,676	36,922,961	30,431,909
Health and welfare	731,349	832,148	866,376	878,512	899,891	981,103	927,097
Culture and recreation	5,173,813	5,599,300	6,199,348	6,247,393	6,914,409	7,250,042	9,550,670
Transit and urban development	1,385,637	1,405,662	1,219,917	1,439,340	1,767,208	1,672,568	1,981,932
Miscellaneous	1,110,104	1,243,559	-	-	-	-	-
Interest on long-term debt and other charges	2,969,250	2,890,988	2,673,906	2,454,040	2,229,839	2,044,374	1,858,468
Total governmental activities expenses	86,206,334	90,495,396	116,519,102	86,721,334	80,295,570	90,153,835	85,371,989
Business-type activities:							
Wastewater operations	6,649,060	6,724,642	6,822,502	7,575,122	7,654,289	7,337,405	7,282,712
Civic center operations	2,260,446	2,297,633	2,262,446	2,514,437	3,286,880	3,149,541	3,156,767
Total business-type activities expenses	8,909,506	9,022,275	9,084,948	10,089,559	10,941,169	10,486,946	10,439,479
Total primary government expenses	\$ 95,115,840	\$ 99,517,671	\$ 125,604,050	\$ 96,811,093	\$ 91,236,739	\$ 100,640,781	\$ 95,811,468
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 5,575,455	\$ 5,292,167	\$ 5,386,009	\$ 5,960,491	\$ 4,803,865	\$ 5,607,294	\$ 5,959,847
Public safety	3,128,651	3,807,737	2,915,463	2,939,746	3,157,328	3,264,140	4,828,953
Public works	3,989,015	4,068,182	3,229,627	3,566,541	3,582,874	3,548,013	4,027,778
Other activities	978,893	1,101,295	1,055,042	1,210,952	1,119,940	1,157,862	1,325,504
Operating grants and contributions	1,509,754	1,539,206	33,969,171	6,184,413	1,485,783	2,736,962	2,321,055
Capital grants and contributions	1,573,326	3,144,655	2,713,108	1,016,018	1,722,264	1,104,317	3,617,474
Total governmental activities program revenues	16,755,094	18,953,242	49,268,420	20,878,161	15,872,054	17,418,589	22,080,611
Business-type activities:							
Charges for services:							
Wastewater operations	3,932,758	4,108,180	3,654,041	3,836,783	3,560,457	3,558,879	3,517,961
Civic center operations	1,168,806	1,177,791	849,424	1,338,906	1,432,841	1,297,787	1,266,846
Operating grants and contributions	-	-	-	-	-	-	-
Capital grants and contributions	1,309,657	8,123,606	5,731,335	1,011,405	1,523,258	2,020,875	325,899
Total business-type activities program revenues	6,411,221	13,409,577	10,234,800	6,187,094	6,516,556	6,877,541	5,110,706
Total primary government program revenues	\$ 23,166,315	\$ 32,362,819	\$ 59,503,220	\$ 27,065,255	\$ 22,388,610	\$ 24,296,130	\$ 27,191,317

(Continued)

Source: Audited Comprehensive Annual Financial Reports
Information available for seven years

CITY OF KENNER, LOUISIANA
SCHEDULE 2 – CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS (CONTINUED)
(accural basis of accounting)
(Unaudited)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Net (Expense) Revenue							
Governmental activities	\$ (69,451,240)	\$ (71,452,154)	\$ (67,250,682)	\$ (65,843,373)	\$ (64,423,516)	\$ (72,735,246)	\$ (63,291,378)
Business-type activities	(2,498,285)	4,387,302	1,149,852	(3,902,465)	(4,424,613)	(3,609,405)	(5,328,773)
Total primary government net expense	\$ (71,949,525)	\$ (67,064,852)	\$ (66,100,830)	\$ (69,745,838)	\$ (68,848,129)	\$ (76,344,651)	\$ (68,620,151)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes:							
Ad valorem	\$ 8,420,830	\$ 8,202,464	\$ 7,107,144	\$ 6,699,015	\$ 7,717,615	\$ 7,752,642	\$ 7,479,348
Sales and use	30,685,123	31,510,382	37,224,188	37,656,053	34,844,151	31,580,500	29,758,967
Beer tax	75,950	70,958	92,224	88,947	86,346	80,061	77,085
Parking	1,490,617	1,627,788	1,392,586	1,850,618	1,967,173	1,932,718	1,864,772
Franchise	9,371,889	9,408,622	9,122,764	8,501,548	8,290,040	8,044,911	7,648,751
Unrestricted grants and contributions	95,113	206,922	436,183	1,015,006	609,237	1,067,893	118,139
Investment earnings	285,266	925,014	1,321,158	1,771,428	1,190,080	312,019	40,466
Miscellaneous	391,399	318,747	899,720	3,542,060	276,211	844,350	240,378
Gain (loss) on disposal of capital assets	-	-	(54,627)	-	-	-	-
Transfers	-	-	(903,228)	(424,547)	1,427,171	(225,000)	-
Total governmental activities	\$ 50,816,187	\$ 52,270,897	\$ 56,638,112	\$ 60,700,128	\$ 56,408,024	\$ 51,390,094	\$ 47,227,906
Business-type activities:							
Taxes:							
Ad valorem	552,763	535,700	478,714	445,939	452,936	509,652	522,429
Sales and use	428,898	493,112	489,735	196,045	144,116	340,181	382,424
Franchise	760,031	726,550	264,847	354,778	402,066	439,614	454,143
Unrestricted grants and contributions	-	-	-	587,691	495,394	-	2,552
Investment earnings	27,142	47,724	126,395	166,101	40,033	5,642	1,139
Miscellaneous	22,117	12,663	14,268	32,610	19,574	17,945	11,545
Gain (loss) on disposal of capital assets	-	-	676,624	-	-	-	-
Proceeds from insurance	-	-	-	4,010,212	1,013,277	-	-
Transfers	-	-	903,228	424,547	(1,427,171)	225,000	(497,644)
Total business-type activities	\$ 1,790,951	\$ 1,815,749	\$ 2,953,811	\$ 6,217,923	\$ 1,140,225	\$ 1,538,034	\$ 876,588
Total primary government	\$ 52,607,138	\$ 54,086,646	\$ 59,591,923	\$ 66,918,051	\$ 57,548,249	\$ 52,928,128	\$ 48,104,494
Change in Net Assets							
Governmental activities	\$ (18,635,053)	\$ (19,181,257)	\$ (10,612,570)	\$ (5,143,245)	\$ (8,015,492)	\$ (21,345,152)	\$ (16,063,472)
Business-type activities	(707,334)	6,203,051	4,103,663	2,315,458	(3,284,388)	(2,071,371)	(4,452,185)
Total primary government	\$ (19,342,387)	\$ (12,978,206)	\$ (6,508,907)	\$ (2,827,787)	\$ (11,299,880)	\$ (23,416,523)	\$ (20,515,657)

CITY OF KENNER, LOUISIANA
SCHEDULE 3 -- FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2001	2002	2003	2004	2005
General fund					
Reserved	\$ 12,926,556	\$ 8,831,450	\$ 7,338,139	\$ 1,534,036	\$ 1,807,313
Unreserved	5,235,808	5,187,923	3,978,777	9,192,906	8,566,552
Total general fund	<u>\$ 18,162,364</u>	<u>\$ 14,019,373</u>	<u>\$ 11,316,916</u>	<u>\$ 10,726,942</u>	<u>\$ 10,373,865</u>
All other governmental funds					
Reserved	\$ 7,573,947	\$ 9,673,173	\$ 7,557,497	\$ 7,369,895	\$ 12,612,559
Unreserved, reported in:					
Special revenue funds	1,949,660	1,094,835	596,819	1,068,431	850,335
Capital projects funds	16,642,651	9,980,659	30,864,692	27,038,670	13,873,112
Total all other governmental funds	<u>\$ 26,166,258</u>	<u>\$ 20,748,667</u>	<u>\$ 39,019,008</u>	<u>\$ 35,476,996</u>	<u>\$ 27,336,006</u>

(Continued)

Source: Audited Comprehensive Annual Financial Reports

CITY OF KENNER, LOUISIANA
SCHEDULE 3 -- FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (CONTINUED)
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
General fund					
Reserved	\$ 3,488,905	\$ 3,015,687	\$ 2,731,484	\$ 3,067,891	\$ 1,513,885
Unreserved	11,923,761	14,548,014	10,372,283	5,767,289	6,480,932
Total general fund	<u>\$ 15,412,666</u>	<u>\$ 17,563,701</u>	<u>\$ 13,103,767</u>	<u>\$ 8,835,180</u>	<u>\$ 7,994,817</u>
All other governmental funds					
Reserved	\$ 8,873,307	\$ 8,263,025	\$ 5,064,190	\$ 5,363,166	\$ 4,603,768
Unreserved, reported in:					
Special revenue funds	101,618	383,160	472,611	530,256	597,914
Capital projects funds	12,298,987	14,252,947	20,811,754	16,585,811	13,097,466
Total all other governmental funds	<u>\$ 21,273,912</u>	<u>\$ 22,899,132</u>	<u>\$ 26,348,555</u>	<u>\$ 22,479,233</u>	<u>\$ 18,299,148</u>

CITY OF KENNER, LOUISIANA
SCHEDULE 4 – CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN YEARS

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2001	2002	2003	2004	2005
Revenues					
Taxes	\$ 46,105,721	\$ 45,272,888	\$ 44,303,236	\$ 48,272,274	\$ 49,244,807
Licenses and permits	2,542,202	2,526,009	2,618,274	2,687,581	2,823,174
Intergovernmental	8,218,714	4,874,422	4,026,343	3,914,996	5,730,564
Charges for services	3,052,493	3,190,453	3,356,027	3,450,591	4,324,475
Fines and forfeitures	1,845,159	1,842,280	2,613,318	2,472,038	1,922,748
Interest	2,165,811	820,693	337,857	229,500	828,905
Miscellaneous	660,896	687,151	943,194	1,560,180	1,481,979
Total revenues	<u>\$ 64,590,996</u>	<u>\$ 59,213,896</u>	<u>\$ 58,198,249</u>	<u>\$ 62,587,160</u>	<u>\$ 66,356,652</u>
Expenditures					
General government	9,321,106	9,660,197	9,471,276	9,446,197	9,326,088
Public safety	19,386,002	24,507,080	23,103,465	23,412,514	22,855,609
Public works	18,757,582	18,083,457	30,259,491	16,770,248	25,165,435
Health and welfare	641,597	731,436	762,666	675,729	736,402
Culture and recreation	6,027,208	7,996,735	7,106,462	6,779,011	5,958,943
Transit and urban development	1,753,110	1,865,873	1,037,821	1,333,340	1,340,747
Miscellaneous	1,639,556	1,666,603	1,236,095	1,103,691	1,232,809
Debt Service					
Principal	3,140,898	3,324,903	3,579,096	4,933,939	5,207,731
Interest and fiscal charges	2,415,872	2,479,481	2,373,071	2,966,450	2,990,955
Agent Fees	57,405	24,975	1,247,745	49,905	-
Miscellaneous	15,000	18,000	18,000	34,500	36,000
Advance refunding escrow	1,162,530	-	-	-	-
Total expenditures	<u>\$ 64,317,866</u>	<u>\$ 70,358,740</u>	<u>\$ 80,195,188</u>	<u>\$ 67,505,524</u>	<u>\$ 74,850,719</u>
Excess (deficiency) of revenues over (under) expenditures	273,130	(11,144,844)	(21,996,939)	(4,918,364)	(8,494,067)
Other financing sources (uses)					
Transfers in	21,332,967	18,366,560	18,358,647	21,552,254	19,076,976
Transfers out	(21,332,967)	(18,366,560)	(18,358,647)	(21,552,254)	(19,076,976)
Payment to refunded bond escrow agent	(1,992,876)	-	(22,070,959)	-	-
Proceeds of refunding bonds and other debt	9,000,000	2,257,500	59,635,782	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Proceeds of refunding bonds and other debt	-	-	-	-	-
Total other financing sources (uses)	<u>\$ 7,007,124</u>	<u>\$ 2,257,500</u>	<u>\$ 37,564,823</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	<u>\$ 7,280,254</u>	<u>\$ (8,887,344)</u>	<u>\$ 15,567,884</u>	<u>\$ (4,918,364)</u>	<u>\$ (8,494,067)</u>
Debt service, (interest and principal only) as a percentage of noncapital expenditures	11.31%	9.47%	11.53%	12.67%	11.88%

(Continued)

Source: Audited Comprehensive Annual Financial Reports

CITY OF KENNER, LOUISIANA
SCHEDULE 4 – CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS (CONTINUED)
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Revenues				
Taxes	\$ 53,238,001	\$ 54,009,655	\$ 51,739,778	\$ 47,986,366
Licenses and permits	2,681,243	3,148,087	3,018,733	2,903,728
Intergovernmental	38,022,399	9,133,635	4,719,364	5,743,213
Charges for services	2,807,703	3,262,439	4,078,054	3,653,004
Fines and forfeitures	1,470,243	1,765,365	1,914,909	1,844,873
Interest	1,161,375	1,590,888	1,065,024	265,958
Miscellaneous	1,765,627	4,434,300	1,065,050	2,001,135
Total revenues	101,146,591	77,344,369	67,600,912	64,398,277
Expenditures				
General government	15,872,062	11,312,207	11,268,348	11,210,646
Public safety	24,607,342	26,286,768	25,052,506	25,057,413
Public works	43,955,321	19,286,746	17,405,299	19,521,070
Health and welfare	768,738	813,585	809,371	741,978
Culture and recreation	7,072,612	6,174,965	6,096,907	6,286,562
Transit and urban development	1,216,410	1,379,316	1,708,333	1,604,607
Miscellaneous	-	-	-	-
Debt Service				
Principal	4,957,148	5,120,020	5,348,709	5,562,517
Interest and fiscal charges	2,781,023	2,551,708	2,313,121	2,114,697
Agent Fees	-	-	-	-
Miscellaneous	36,000	36,000	36,000	36,000
Total expenditures	101,266,656	72,961,315	70,038,594	72,135,490
Excess (deficiency) of revenues over (under) expenditures	(120,065)	4,383,054	(2,437,682)	(7,737,213)
Other financing sources (uses)				
Transfers in	23,673,849	22,317,271	26,252,654	24,007,673
Transfers out	(24,577,077)	(22,924,071)	(24,825,483)	(24,515,984)
Total other financing sources (uses)	(903,228)	(606,800)	1,427,171	(508,311)
Net change in fund balances	\$ (1,023,293)	\$ 3,776,254	\$ (1,010,511)	\$ (8,245,524)
Debt service, (interest and principal only) as a percentage of noncapital expenditures	8.23%	11.66%	12.69%	11.22%
				11.98%

CITY OF KENNER, LOUISIANA
SCHEDULE 5 – DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN YEARS
(Unaudited)

Fiscal Year	City Direct Rate (1)	Overlapping Rates	
		Jefferson Parish (2)	Jefferson Parish School Board
2000	2.5833%	0.1667%	2.0000%
2001	2.5833%	0.1667%	2.0000%
2002	2.5833%	0.1667%	2.0000%
2003	2.5833%	0.1667%	2.0000%
2004	2.5833%	0.1667%	2.0000%
2005	2.5833%	0.1667%	2.0000%
2006	2.5833%	0.1667%	2.0000%
2007	2.5833%	0.1667%	2.0000%
2008	2.5833%	0.1667%	2.0000%
2009	2.5833%	0.1667%	2.0000%
2010	2.5833%	0.1667%	2.0000%

NOTES: (1) As discussed in NOTE F to the Financial Statements, the State of Louisiana levies a 4.0% sales tax on purchases within the City of Kenner. In addition, the Parish of Jefferson levies a 4.75% sales tax on purchases within the City of Kenner. From the 4.75% levied by Jefferson Parish, 2.5833% is collected for, and remitted to, the City of Kenner. The sales tax rate is determined by the Jefferson Parish Council, subject to the approval of the voters of Jefferson Parish. The City of Kenner also receives one-third of a 2% sales tax on purchases made in the airport taxing district located within the city limits, but this amount is insignificant compared to the City's share of the 4.75% Jefferson Parish sales tax.

(2) Jefferson Parish retains .1667% of the 4.75% sales tax levied on purchases within the City of

(3) Information regarding the breakdown of taxable sales by category is not available.

(4) Information regarding the principal sales tax remitters is not available.

CITY OF KENNER, LOUISIANA
SCHEDULE 6 -- ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Real Estate	Personal Property	Tax Sale	Public Service Corporations	Railway Rolling Stock	Total Assessments	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (1)
2001	\$291,404,556	\$ 68,936,961	\$2,799,070	\$32,836,974	\$ 59,320	\$396,036,881	\$ 106,566,854	\$289,470,027	19.24	\$ 3,620,924,627	7.99%
2002	301,464,836	64,234,420	3,064,840	31,651,971	54,620	400,470,687	106,533,925	293,936,762	19.24	3,684,903,500	7.98%
2003	311,030,813	68,166,379	3,464,023	30,730,166	60,770	413,452,151	107,177,755	306,274,396	18.99	3,804,663,793	8.05%
2004	322,026,628	77,645,279	1,989,158	31,033,936	57,070	432,752,071	107,368,993	325,383,078	27.79	3,965,066,427	8.21%
2005	369,431,810	79,188,729	3,320,253	32,768,233	57,790	484,766,815	110,125,676	374,641,139	24.34	4,474,285,643	8.37%
2006	286,403,720	86,273,418	1,207,933	32,958,375	54,090	406,897,536	88,406,826	318,490,710	23.93	3,671,355,750	8.68%
2007	288,932,430	95,346,480	1,186,233	27,614,404	30,310	413,109,857	88,061,041	325,048,816	23.93	4,034,995,413	8.06%
2008	327,511,670	92,948,219	1,371,023	23,700,582	36,100	445,567,594	93,303,048	352,264,546	23.93	4,371,983,590	8.06%
2009	444,827,980	96,831,156	2,693,550	26,184,409	40,700	570,577,795	106,243,290	464,334,505	18.13	5,295,590,450	8.77%
2010	448,346,980	94,662,776	2,789,130	27,699,147	46,460	573,544,493	105,611,567	467,932,926	18.13	5,327,416,986	8.78%

Source: Jefferson Parish Assessor's Office.

NOTE: Assessed values are established by the Parish Assessor by December of each year at 10 percent of assumed market value for real property and 15 percent of assumed market value for other property. A revaluation of all property is required to be completed every four years. The last revaluation was completed for December, 2008. Tax rates are per \$100 of assessed value.

(1) Includes tax-exempt property.

CITY OF KENNER, LOUISIANA
SCHEDULE 7 – DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)
(Unaudited)

Fiscal Year	City Direct Rates						Overlapping Rate		Total Direct & Overlapping Rates
	Basic Rate	Garbage Collection	Fire Protection	General Obligation Debt Service	Street Maintenance & Improvement	Wastewater Operations	Total Direct	Jefferson Parish Districts (1)	
2001	\$ 3.11	\$ 2.40	\$ 11.02	\$ 1.00	\$ -	\$ 1.71	\$ 19.24	\$ 61.36	\$ 80.60
2002	3.11	2.40	11.02	1.00	-	1.71	19.24	67.75	86.99
2003	3.11	2.40	11.02	0.75	-	1.71	18.99	68.99	87.98
2004	3.11	2.40	11.02	0.75	8.80	1.71	27.79	69.82	97.61
2005	2.75	2.12	9.76	0.41	7.79	1.51	24.34	67.25	91.59
2006	2.75	2.12	9.76	-	7.79	1.51	23.93	76.95	100.88
2007	2.75	2.12	9.76	-	7.79	1.51	23.93	68.60	92.53
2008	2.75	2.12	9.76	-	7.79	1.51	23.93	63.41	87.34
2009	2.08	1.61	7.40	-	5.90	1.14	18.13	64.46	82.59
2010	2.08	1.61	7.40	-	5.90	1.14	18.13	64.46	82.59

(1) Source: Jefferson Parish Assessor.

CITY OF KENNER, LOUISIANA
SCHEDULE 8 – PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Taxpayer	June 30, 2010			June 30, 2001		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Five Properties LLC	\$ 7,568,140	1	4.66%			
Esplanade Mall Ltd. Partnership	7,415,860	2	4.57%			
Southwest Airlines Co	7,086,120	3	4.36%	\$ 9,265,350	1	2.37%
Wal-Mart Real Estate Business Trust	4,930,400	4	3.04%			
Treasure Chest Casino LLC	4,550,762	5	2.80%	3,226,604	5	0.83%
Bellsouth	4,340,530	6	2.67%	6,841,840	2	1.75%
Continental Airlines Inc	3,336,970	7	2.05%	3,021,290	6	0.77%
Sprint Spectrum	3,284,926	8	2.02%			
Pellerin Milnor Corp	3,034,566	9	1.87%			
Westport Petroleum	3,032,502	10	1.87%			
CF Kenner Associates				6,261,370	3	1.60%
Southern Company				3,384,000	4	0.87%
Sterik Company				2,600,000	7	0.66%
Delta Airlines				2,429,740	8	0.62%
Kenner Hotel Ltd. Partnership				2,283,010	9	0.58%
United Airlines				2,251,970	10	0.58%
Totals	<u>\$48,580,776</u>		<u>29.91%</u>	<u>\$41,565,174</u>		<u>10.63%</u>

Source: City of Kenner Finance Department

CITY OF KENNER, LOUISIANA
SCHEDULE 9 – PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected (or Adjusted) within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	5,569,405	5,441,556	97.70%	69,185	5,510,741	98.95%
2002	5,655,345	5,455,652	96.47%	145,775	5,601,427	99.05%
2003	5,816,207	5,587,414	96.07%	114,677	5,702,091	98.04%
2004	9,042,453	8,675,012	95.94%	190,332	8,865,344	98.04%
2005	9,118,769	8,781,235	96.30%	109,625	8,890,860	97.50%
2006	7,621,482	6,977,226	91.55%	488,799	7,466,025	97.96%
2007	7,778,454	7,536,507	96.89%	165,412	7,701,919	99.02%
2008	8,429,734	8,033,426	95.30%	144,404	8,177,830	97.01%
2009	8,418,398	7,954,419	94.49%	69,435	8,030,768	95.40%
2010	8,483,637	8,141,338	95.97%	N/A	8,141,338	95.97%

Source: City of Kenner Finance Department

CITY OF KENNER, LOUISIANA
SCHEDULE 10 – RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities						Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Indebtedness	LCDA Revenue Bonds	LDEQ Taxable Bonds	Notes Payable	Capital Lease Obligations	Other Obligations			
2001	975,000	35,165,000	8,315,000	-	-	2,893,506	442,344	-	47,808,058	2.50%	678
2002	750,000	32,920,000	9,090,000	-	-	2,857,900	393,255	2,000,000 (2)	48,028,149	2.51%	681
2003	506,042	46,414,026	8,240,000	22,345,146	-	2,819,769	292,289	-	80,631,636	3.86%	1,143
2004	257,869	43,878,803	7,305,000	21,084,981	-	2,778,934	209,185	-	75,526,237	3.39%	1,071
2005	-	41,025,198	6,315,000	19,926,077	-	2,735,204	120,184	-	70,129,934	3.27%	998
2006	-	37,345,000	5,260,000	18,475,000	-	2,688,403	24,867	-	63,798,021	3.60%	913
2007	-	34,650,000	4,145,000	17,240,000	-	2,638,251	-	-	58,674,123	3.94%	881
2008	-	31,830,000	2,965,000	15,945,000	-	2,584,508	-	-	53,324,508	3.66%	818
2009	-	28,925,000	1,715,000	14,595,000	-	2,527,025	-	-	47,762,025	3.06%	729
2010	-	25,945,000	200,000	13,205,000	215,021	2,465,430	-	-	42,030,451	2.61%	620

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) Loan payable to Jefferson Parish.

CITY OF KENNER, LOUISIANA
SCHEDULE 11 -- RATIOS OF NET GENERAL BOND DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Debt Service Monies Available	Net General Obligation Bonds Outstanding		
2001	975,000	220,448	754,552	0.02%	10.70
2002	750,000	226,621	523,379	0.01%	7.42
2003	510,000	170,992	339,008	0.01%	4.81
2004	260,000	126,956	133,044	0.00%	1.89
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 8 for property value data.

(2) Population data can be found in Schedule 15.

CITY OF KENNER, LOUISIANA
SCHEDULE 12 -- DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Jefferson Parish	\$ 10,605,000	17.66%	\$ 1,872,843
Jefferson Parish Public School System	172,699,000	14.44%	<u>24,937,736</u>
Subtotal, overlapping debt			26,810,579
City direct debt			<u>42,030,451</u>
Total direct and overlapping debt			<u><u>\$ 68,841,030</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by Jefferson Parish. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Kenner. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF KENNER, LOUISIANA
SCHEDULE 13 -- LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$ 138,612,908	\$ 140,164,740	\$ 144,708,253	\$ 151,463,225	\$ 151,463,225	\$ 142,414,138	\$ 144,588,450	\$ 155,948,658	\$ 199,702,228	\$ 200,740,573
Total net debt applicable to limit	10,195,485	10,888,036	32,395,307	5,908,911	4,739,322	3,642,404	2,471,122	1,884,798	608,953	(111,835)
Legal debt margin	\$ 128,417,423	\$ 129,276,704	\$ 112,312,946	\$ 145,554,314	\$ 146,723,903	\$ 138,771,734	\$ 142,117,328	\$ 154,063,860	\$ 199,093,275	\$ 200,852,408
Total net debt applicable to the limit as a percentage of debt limit	7.36%	7.77%	22.39%	3.90%	3.13%	2.56%	1.71%	1.21%	0.30%	-0.06%

Legal Debt Margin Calculation for Fiscal Year 2010	
Assessed value	\$ 573,544,493
Debt limit -- 35% of assessed value	200,740,573
General obligation and excess revenue bonds	200,000
Less: amount available for repayment of general obligation and excess revenue bonds	311,835
Total net debt applicable to limit	(111,835)
Legal debt margin	\$ 200,852,408

Note: Louisiana R.S. 39:562 allows for a maximum of 10% of the assessed valuation for bonded debt for any one purpose or 35% of the total assessed value for all purposes.

CITY OF KENNER, LOUISIANA
SCHEDULE 14 -- PLEDGED-REVENUE COVERAGE
LAST FIVE FISCAL YEARS
(Unaudited)

Fiscal Year	Sales Tax Bonds			
	Sales Tax Collections	Debt Service		Coverage
		Principal	Interest	
2006	13,244,141	2,585,000	1,465,886	3.27
2007	13,162,726	2,695,000	1,353,895	3.25
2008	13,763,729	2,820,000	1,232,264	3.40
2009	12,247,404	2,905,000	1,117,164	3.04
2010	11,211,927	2,980,000	1,039,916	2.79

NOTES: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
Certain information for prior periods is not shown since it was not previously maintained by the City.

CITY OF KENNER, LOUISIANA
SCHEDULE 15 – DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	(1) Population	Personal Income	(2) (4) Per Capita Personal Income	(3) Unemployment Rate
2001	70,517	1,911,010,700	29,580	4.6%
2002	70,517	1,916,652,060	30,088	4.6%
2003	70,517	2,088,219,921	30,532	4.9%
2004	70,517	2,227,279,445	31,867	4.1%
2005	70,252	2,142,896,756	25,333	5.4%
2006	69,911	1,771,055,363	25,333	5.7%
2007	66,592	1,487,332,320	22,335	4.9%
2008	65,202	1,456,286,670	22,335	4.6%
2009	65,527	1,558,363,114	23,782	7.3%
2010	67,842	1,613,418,444	23,782	8.1%

(1) Source: Louisiana Tech University for 2000; U.S. Census Bureau 2000 Census for 2001-2004; U.S. Census Bureau 2004 Population Estimate for 2005; U.S. Census Bureau 2005 Population Estimate for 2006; U.S. Census Bureau 2006-2008 American Community Survey Estimate for 2007-2010. Except for 2002-2010, the figures represent the City's population for the preceding calendar year.

(2) Source: Bureau of Economic Analysis, U.S. Department of Commerce. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.

(3) Source: Louisiana Department of Labor, Research and Statistical Division for calendar years. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.

(4) 2005 figure used for 2005 and 2006; 2007 figure used for 2007 and 2008; 2009 figure used for 2009 and 2010.

CITY OF KENNER, LOUISIANA
SCHEDULE 16 – PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Employer</u>	<u>June 30, 2010</u>			<u>June 30, 2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Treasure Chest Casino LLC	780	1	2.1%	**		
Ochsner Medical Center	768	2	2.1%			
City of Kenner	739	3	2.0%			
Cross Road Centers	600	4	1.6%			
Pellerin Milnor Corp	525	5	1.4%			
Wal-Mart Stores Inc	515	6	1.4%			
Dillard's Inc	200	7	0.5%			
Macy's Inc	200	8	0.5%			
Chateau Living Center	200	9	0.5%			
Home Depot Inc	192	10	0.5%			
Total	<u>4,719</u>		<u>12.90%</u>	<u>-</u>		<u>0.00%</u>

** Certain information for prior periods is not shown since it was not previously maintained by the City.

Source: JEDCO, EDS Department

CITY OF KENNER, LOUISIANA
SCHEDULE 17 – FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	Full-time Equivalent Employees as of June 30									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	81	76	75	73	77	69	86	86	83	78
Public safety	324	389	381	411	382	344	356	364	354	363
Public works	165	162	158	154	168	101	99	108	114	108
Health and welfare	55	57	58	52	52	50	30	23	20	19
Culture and recreation	65	78	81	75	82	106	126	135	134	137
Transit and urban development	23	27	24	30	29	26	30	27	32	34
Miscellaneous										
Total	713	789	777	795	790	696	727	743	737	739

Source: City of Kenner payroll department.

CITY OF KENNER, LOUISIANA
SCHEDULE 18 – OPERATING INDICATORS BY FUNCTION
LAST FOUR FISCAL YEARS
(Unaudited)

Function	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
Police				
Physical arrests	6,171	5,062	6,812	8,815
Parking violations	128	189	750	467
Traffic violations	17,034	13,393	14,391	17,692
Fire				
Emergency responses	2,171	3,400	3,705	3,588
Fires extinguished	232	242	191	137
Refuse collection				
Refuse collected (tons per day)	**	144	150	160
Recyclables collected (tons per month)	**	3,738	N/A	N/A
Other public works				
Street resurfacing (sq. ft.)	**	24,486	26,000	8,000
Potholes repaired	**	103	91	163
Wastewater				
Average daily sewage treatment (mil per day)	**	13.7	11.0	12.2

** Certain information for prior periods is not shown since it was not previously maintained by the City.

Source: City of Kenner Finance Department.
Information available for four years

CITY OF KENNER, LOUISIANA
SCHEDULE 19 – CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
Police										
Stations	2	2	1	1	1	1	1	1	1	1
Patrol units	**	**	**	**	**	**	**	180	221	204
Fire										
Stations	5	5	5	6	6	6	6	6	6	6
Pieces of equipment	19	19	19	20	21	21	21	21	23	23
Water										
Water mains (miles)	**	**	**	**	**	**	**	**	**	264
Fire hydrants	**	**	**	**	**	**	**	**	3,996	2,919
Storage capacity	**	**	**	**	**	**	**	**	**	**
(thousands of gallons)										
Other public works										
Streets (miles)	**	**	**	**	**	212	212	396	396	300
(1) Highways (miles)	**	**	**	**	**	**	**	**	**	10
Bridges	**	**	**	**	**	16	27	27	27	33
Streetlights	6,893	6,987	6,997	6,987	6,987	6,987	6,987	6,992	6,992	6,992
Traffic signals	**	**	**	**	**	**	**	18	19	19
Health and welfare	**	**	**	**	**	**	**	**	**	**
Culture and recreation										
Parks	2	2	3	3	3	3	3	3	3	3
Playgrounds	11	11	11	11	11	11	11	11	12	12
Art Galleries and Museums	8	8	8	10	10	10	10	10	10	6
Gymnasiums	10	10	10	10	10	10	10	10	11	11
Wastewater										
Sanitary and storm sewers (miles)	**	**	**	**	**	905	905	905	905	905
Treatment plants	2	2	2	2	2	2	2	1	1	1
Low-lift stations	77	77	79	76	77	77	77	79	79	79
Treatment capacity	13.35 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD

Source: City of Kenner finance department

** Certain information for prior periods is not shown since it was not previously maintained by the City.

(1) Highways are maintained by the State

For the items not recorded, information was not accumulated in those years.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 30, 2010

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kenner, Louisiana, as of and for the year ended June 30, 2010, which collectively comprise the City of Kenner, Louisiana's basic financial statements and have issued our report thereon dated December 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Kenner, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Kenner, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

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A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Kenner, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 10-01.

This report is intended solely for the information and use of the audit committee, management, City Council, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Krapmann, Hogan & Maher, LLP



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

December 30, 2010

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

Compliance

We have audited the compliance of City of Kenner, Louisiana with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that could have a direct and material effect on each of City of Kenner, Louisiana's major federal programs for the year ended June 30, 2010. City of Kenner, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Kenner, Louisiana's management. Our responsibility is to express an opinion on City of Kenner, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred.

An audit includes examining, on a test basis, evidence about City of Kenner, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Kenner, Louisiana's compliance with those requirements.

In our opinion, City of Kenner, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 10-02.

Internal Control Over Compliance

The management of City of Kenner, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Kenner, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, City Council, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
Community Development Block Grant	14.218	B-08-MC-22-008	\$ 416,528
			<u>416,528</u>
Passed through Jefferson Parish:			
Home Investment Partnership Program (HOME)*	14.239	Unavailable	725,462
			<u>725,462</u>
Passed through Louisiana Department of Social Services:			
ARRA-Homelessness Prevention and Rapid Re-Housing	14.257	Unavailable	14,028
Emergency Shelter Grants Program	14.231	Unavailable	16,090
			<u>30,118</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ 1,172,108
DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Justice Assistance Grant Program:			
Direct	16.738	20029-DJ-BX-0748	\$ 4,494
Passed Through Louisiana Commission Law Enforcement:			
Street Sales Disruption	16.738	B-09-7-008	4,330
Targeting Computer and High Crime	16.738	B-08-7-004	3,126
			<u>\$ 11,950</u>
Passed Through Louisiana Commission Law Enforcement:			
ARRA-Criminal Justice Technology Grant	16.803	B-82-8-047	\$ 31,083
Municipal Narcotics Task Force Grant	16.579	B-08-7-001	24,017
Crime Victim Assistance Program	16.575	C-08-7-030	8,912
Crime Victim Assistance Program	16.575	C-09-7-022	7,500
			<u>71,512</u>
Direct			
ARRA-Edward Memorial Justice Assistance Grant*	16.804	2009-SB-B9-2324	162,092
ARRA-Public Safety Partnership and Community Policing Grant	16.710	2009-RX-WX-0384	215,874
Bulletproof Vest Partnership Grant Program	16.607	Unavailable	6,009
			<u>383,975</u>
TOTAL DEPARTMENT OF JUSTICE			467,437
DEPARTMENT OF HOMELAND SECURITY			
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness:			
Disaster Grants - Public Assistance - Katrina *	97.036	1603-DR-LA	\$ 2,867,355
Disaster Grants - Public Assistance - Gustav *	97.036	1786-DR-LA	10,457
TOTAL DEPARTMENT OF HOMELAND SECURITY			\$ 2,877,812
DEPARTMENT OF ENERGY			
Direct			
ARRA - Energy Efficiency and Conservation Block	81.128	DE-SC0002102	43,685
TOTAL DEPARTMENT OF ENERGY			43,685
DEPARTMENT OF TRANSPORTATION			
Passed Through the Regional Transit Authority			
Operating Assistance	20.507	LA-90-X038	208,511
TOTAL DEPARTMENT OF TRANSPORTATION			\$ 208,511
TOTAL FEDERAL ASSISTANCE			4,769,553

* This program is considered a "major" program under OMB Circular A-133.

The accompanying Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**CITY OF KENNER, LOUISIANA
NOTES TO SCHEDULE OF FEDERAL AWARD EXPENDITURES
JUNE 30, 2010**

NOTE A - SCOPE OF AUDIT PURSUANT TO GOVERNMENT AUDITING STANDARDS, OMB CIRCULAR A-133, "AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS" AND THE SINGLE AUDIT ACT OF 1984 AND 1996 AMENDMENTS

All federal grant operations of the City of Kenner, Louisiana, are included in the scope of the single audit. Those programs which were major grants and which were selected for specific testing included:

1. **Department of Homeland Security**
Disaster Grant – Public Assistance (Disasters # 1603 - Hurricane Katrina and # 1786 - Hurricane Gustav)
2. **Department of Housing and Urban Development**
HOME Investment Partnership Program
3. **Department of Justice**
ARRA – Public Safety Partnership and Community Policing Grant

NOTE B - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2010.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants. Several programs are funded jointly by State of Louisiana appropriations and federal funds. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they properly apply to the grant.

2. **Accrued and Deferred Reimbursement**

Various reimbursement procedures are used for federal awards received by the City. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements received. Generally, accrued balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

**CITY OF KENNER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Kenner, Louisiana.
2. No control deficiencies relating to the audit of the financial statements are reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of City of Kenner, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. No control deficiencies relating to the audit of internal control over major federal award programs are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the City of Kenner, Louisiana expresses an unqualified opinion on all major federal programs.
6. The audit disclosed no findings which are required to be reported by OMB Circular A-133.
7. The programs tested as major programs include:

CFDA Number/Grant Number

Disaster Grants – Public Assistance Grants	97.036
HOME Investment Partnership Program	14.239
ARRA – Public Safety Partnership and Community Policing Program	16.710

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. City of Kenner, Louisiana qualified as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Compliance:

(10-01)

During the audit it was noted that the one percent sales tax fund of 1984, community development block grant fund, and the fire protection fund actual revenues fell below budgeted revenues by more than 5%. When management became aware that budgeted revenues had substantially decreased, management submitted budget amendments that were adopted by the Council in June 2010. Subsequent to year end, management became aware that actual revenues actually had decreased even more than estimated when the budget amendments were proposed. This decrease was mainly attributable to the significant decreases in sales tax revenues for the months of May and June 2010. The Louisiana Budget Act requires that the budget be amended when revenues fall below 5% of the budgeted amount. Management amended the budget when they became aware that projected revenues fell below 5% of budgeted revenues. However, the actual revenue amounts still fell below 5% of the amended budgeted amounts. A similar finding was noted in prior year.

We recommend that management continually monitor the budget and amend when required by law. Management has indicated they were aware of the significant decrease in revenues which resulted in the process of amending the budget. However, they did not anticipate the additional significant decline in sales tax revenues beyond their estimates. Management has indicated they will continue to monitor the process and amend as required by law. Additionally, management did not believe amending the budget subsequent to year end would enhance the budget process.

**CITY OF KENNER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

Internal Control:

No findings noted.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

(10-02)

It was noted during the audit that all quarterly reports in fiscal year 2010 for the Department of Homeland Security Disaster Grants were filed at least two weeks after the reporting deadline. The quarterly reports are due to the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) fifteen days after the end of each quarter and should be filed within this timeframe. The reports were filed late due to time constraints of the party responsible for filing the reports. Failure to file the quarterly reports in a timely manner results in non-compliance with the terms of this grant. We recommend that that City file the quarterly reports timely in the future. There are no questioned costs associated with this finding.

**CITY OF KENNER, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010**

A. FINDINGS RELATED TO FINANCIAL STATEMENT AUDIT

(09-01)

During the audit it was noted that the general fund, one percent sales tax fund of 1984, community development block grant fund, and the street lighting fund actual revenues fell below budgeted revenues by more than 5%. When management became aware that budgeted revenues had substantially decreased, management submitted budget amendments that were adopted by the Council in June 2009. Subsequent to year end, management became aware that actual revenues actually had decreased even more than estimated when the budget amendments were proposed. This decrease was mainly attributable to the significant decreases in sales tax revenues for the month of June 2009, as well as subsequent months which are used in accruing sales tax revenues at year end. The Louisiana Budget Act requires that the budget be amended when revenues fall below 5% of the budgeted amount. Management amended the budget when they became aware that projected revenues fell below 5% of budgeted revenues. However, the actual revenue amounts still fell below 5% of the amended budgeted amounts.

We recommend that management continually monitor the budget and amend when required by law. Management indicated they were aware of the significant decrease in revenues which resulted in the process of amending the budget. However, they did not anticipate the additional significant decline in sales tax revenues beyond their estimates. Management indicated they would continue to monitor the process and amend as required by law. Additionally, management did not believe amending the budget subsequent to year end would enhance the budget process.

FINDINGS RELATED TO FEDERAL AWARD PROGRAMS

None.



CITY OF KENNER

DEPARTMENT OF FINANCE

MICHAEL S. YENNI
MAYOR
December 31, 2010

DUKE P. McCONNELL
FINANCE DIRECTOR

Daryl G. Purpera, CPA, CFE
Legislative Auditor
1600 N. Third Street
Baton Rouge, LA 70802

Dear Mr. Purpera:

This letter is submitted in response to the findings noted by our auditors Duplantier, Hrapmann, Hogan and Maher, during the City of Kenner's audit for the fiscal year July 1, 2009 through June 30, 2010.

Compliance:

(10-01)

During the audit it was noted that the one percent sales tax fund of 1984, community development block grant fund, and the fire protection fund actual revenues fell below budgeted revenues by more than 5%. When management became aware that budgeted revenues had substantially decreased, management submitted budget amendments that were adopted by the Council in June 2010. Subsequent to year end, management became aware that actual revenues actually had decreased even more than estimated when the budget amendments were proposed. This decrease was mainly attributable to the significant decreases in sales tax revenues for the months of May and June 2010. The Louisiana Budget Act requires that the budget be amended when revenues fall below 5% of the budgeted amount. Management amended the budget when they became aware that projected revenues fell below 5% of budgeted revenues. However, the actual revenue amounts still fell below 5% of the amended budgeted amounts. A similar finding was noted in prior year.

We recommend that management continually monitor the budget and amend when required by law. Management has indicated that they were aware of the significant decrease in revenues which resulted in the process of amending the budget. However, they did not anticipate the additional decline in sales tax revenues beyond their estimates. Management has indicated that they will continue to monitor the process and amend as required by law. Additionally, management did not believe amending the budget subsequent to year end would enhance the budget process.

Response

We did not believe that amending the budget after the year was actually over would provide any enhancement to our management and stewardship of the City's financial resources.

In the future the City will propose additional budget amendments subsequent to year end if needed.

Findings and Questioned Costs:

(10-02)

It was noted during the audit that all quarterly reports in fiscal year 2010 for the Department of Homeland Security Disaster Grants were filed at least two weeks after the reporting deadline. The quarterly reports are due to the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) fifteen days after the end of each quarter and should be filed within this timeframe. The reports were filed late due to time constraints of the party responsible for filing the reports. Failure to file the quarterly reports in a timely manner results in non-compliance

with the terms of the grant. We recommend that the City file the quarterly reports timely in the future. There are no questioned costs associated with this finding.


Response:

The Quarterly reports filed with GOHSEP consist of progress reports on the various FEMA projects and are used by the State to summarize the status of statewide progress on all FEMA projects.

While the City's reports have often been filed shortly after the due date, they were filed in sufficient time for GOHSEP to complete its summary reports to FEMA within FEMA's schedule.

The City will make every effort to file future reports by the due date.

Sincerely,
CITY OF KENNER, LOUISIANA



DUKE P. McCONNELL, CPA
Chief Financial Officer

CC: Michael S. Yenni, Mayor
Michael Quigley, Chief Administrative Officer
Lindsay Calub, DHHM